MGT CONSULTING GROUP

PUBLIC SCHOOL CONSTRUCTION NEEDS SURVEY AND RECOMMENDATIONS FOR FUNDING OPTIONS FOR SELECTED DISTRICTS

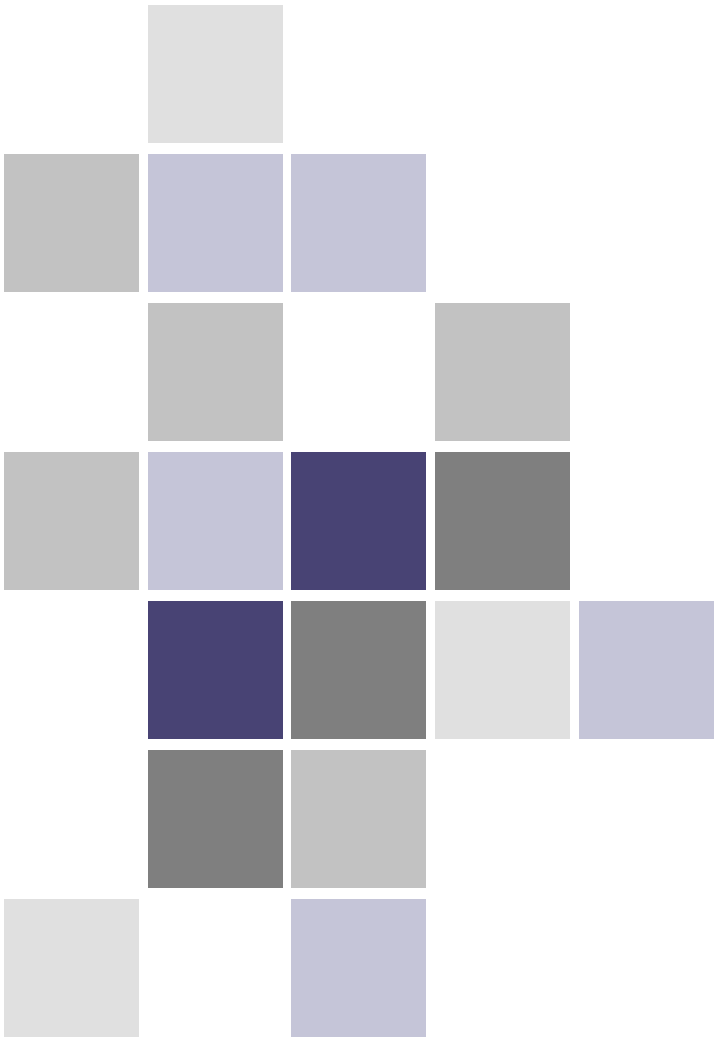
THE LEGISLATIVE SERVICES COMMISSION OF THE NORTH CAROLINA GENERAL ASSEMBLY

Final Report

March 21, 2017

Modified

April 27, 2017



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ACKNOWLEDGEMENTS

MGT acknowledges the significant support from the Program Evaluation Division of the North Carolina General Assembly (PED). PED staff were of great assistance with meeting logistics, location planning, and connecting us to the critical state and local district staff to complete this project. We appreciate the close working relationship and the help they provided.

MGT further acknowledges the cooperation received from the nine counties and school districts in assisting with the on-site evaluations and financial review. Without exception, their assistance was essential in the completion of this study.

1.0 INTRODUCTION

In November 2016, MGT of America Consulting, LLC (MGT) was selected by the North Carolina General Assembly Legislative Services Commission to conduct this review of selected school district facilities. The project was initiated based on the General Assembly RFQ 2016-1 to conduct a *Public School Construction Needs Survey and Recommendations for Funding Options for Selected Districts.* Currently the process for determining school facility needs is directed in statute. General Statute 115C-521A requires local boards of education to submit their long-range plans for meeting school capital needs to the State Board of Education every five years. The Department of Public Instruction (DPI) through its School Planning Division provides consultative services, technical support, and administration for the needs assessment.

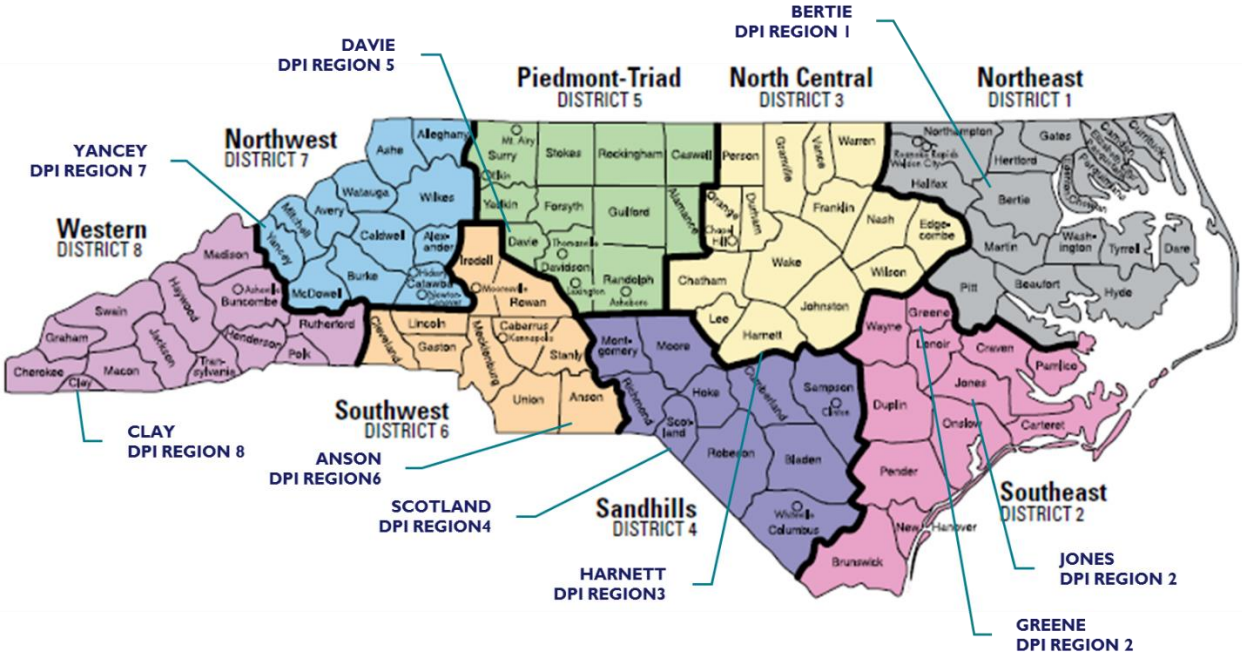
The purpose of this project was to gather information for the state legislature about the facility needs of identified districts and to examine the capacity of each district/county to raise adequate funding to support the facility needs identified. The districts selected by the Legislative Services Commission for this report represent those with limited revenue generating capacity, aging building stock, and represent six of the eight DPI regions. These districts are shown below in **Exhibit 1-1** and **Exhibit 1- 2**.

EXHIBIT 1-1
NINE DISTRICTS EVALUATED BY MGT

LEA NAME	DEPT. OF PUBLIC INSTRUCTION REGION	COUNT OF SCHOOLS	NUMBER OF STUDENTS	AREA IN SQUARE MILES
Anson	6	11	2,653	538
Bertie	1	8	2,398	741
Clay	8	3	1,259	221
Davie	5	12	6,257	261
Greene	2	6	2,977	266
Harnett*	3	28	19,931	601
Jones	2	6	1,108	473
Scotland	4	11	5,624	320
Yancey	7	7	2,653	313

*Harnett County was selected as the pilot district.

EXHIBIT 1-2
DEPARTMENT OF PUBLIC INSTRUCTION REGIONS WITH DISTRICTS EVALUATED



To conduct the review, MGT included the services of Parsons Environment & Infrastructure Group. Parsons is an international architectural/engineering firm with experience conducting facility assessments. Parsons staff led the assessment of facility needs utilizing their proven eCOMET® assessment software program and has worked with MGT on many facility projects across the U.S. for more than ten years. The assessments utilized eCOMET®, Parson's facility assessment software for building and site condition, and BASYS®, MGT's facility assessment software program for educational suitability and technology readiness.

As described in greater detail under **Chapter 2.0 Methodology**, the project design focused on ensuring broad-based awareness and transparency for both the legislature and for staff at each of the selected districts. The pilot study of Harnett County Schools (HCS) followed our planned process and started with a district-level project initiation meeting with the superintendent and other district staff.

Each school in each district was evaluated using four different assessments:

- **Building condition** – based on an assessment by Parsons staff who are experienced, national assessors who used eCOMET® software to gather information about all building systems. These data were used to identify systems that are out of date or in need of replacement and define the condition of the facility, often described as a Facility Condition Index (FCI).
- **Site condition** - based on an assessment by Parsons staff who are experienced, national assessors who used eCOMET® software to gather information about all site systems.
- **Educational suitability** – based on a walk-through by MGT staff with the building principal/designee that gathered data regarding how well the facility supported the educational programs, including the learning environment, size, location, and fixed equipment. Data were

gathered using MGT's BASYS® software system. This system was calibrated to incorporate North Carolina DPI guidelines.

- **Technology readiness** – based on a walk-through by MGT staff reviewing the infrastructure available in each school to support current and future technology applications. Data were gathered using MGT's BASYS® software system.

This report is organized to provide data regarding each individual district as well as summary information for the state as a whole. The report contains the following sections:

2.0 METHODOLOGY

MGT conducted a review of the facilities in nine school districts identified by the state for this study. The work in each school district was organized to ensure both significant uniformity – MGT used the same processes in each county – and transparency so that all districts would have similar opportunities for input and would have data for their schools based on a set of state "standards."

PROJECT OVERVIEW

2.0.1 State Entrance Conference: MGT worked with the state to identify a date for the state entrance conference that was held in Raleigh on November 3, 2016. The superintendent of each identified district was invited to participate, either by phone/conference call or in person. MGT and Parsons staff provided background information about the project, including a timeline for site assessments to all nine districts and a detailed description of the planned site activities.

2.0.2 State review of Educational Suitability Criteria: MGT met with North Carolina State Department of Public Instruction (DPI) staff to review the required courses and programs and develop the standards to be used to assess all districts evenly. The standards defined the instructional learning environment (both inside and outside), the size requirements, the location, and the storage and fixed equipment items to be assessed at each school. It was critical to have a set of state-wide standards to use for data collection and comparison, rather than standards derived from each district. (See ***Appendix A*** for the North Carolina state suitability standards used in this review and ***Appendix B*** for the MGT Educational Suitability Reference Guide.)

2.0.3 Project Pilot Assessment and Report: In order to ensure that the data and reporting structures were going to address the needs of the state, MGT conducted a pilot study and presented a report regarding Harnett County. The state's Program Evaluation Division (PED) reviewed and recommended revisions to this pilot report prior to approving work in the remaining districts. The Pilot Report is presented in ***Appendix C***.

2.0.4 District Entrance Conferences: MGT scheduled a district entrance conference with each superintendent. The district was encouraged to include both facility and administrative staff in these meetings since they included discussions about the schedule and purpose for the site assessments and the data to be gathered. During each entrance conference, the district and MGT finalized the site assessment schedules to ensure that each school was visited and that district and site administrators were available to answer questions, open doors, and describe the instructional program at each facility.

2.0.5 Assessment Visits: MGT and Parsons staff visited each school on the agreed-to schedule. At each site, the Parsons staff assessed the building and site condition, looking at the roof, floors, windows, parking lots, etc. MGT staff reviewed the program needs at each site with the principal or designee to determine how well the facility supported the instructional activities and the technology readiness[1]. Data from all four assessments were gathered and analyzed to create a picture of the current status and needs for facilities in each district. In addition to the facility condition and educational suitability data, MGT staff gathered information to support a

[1] Please see ***Appendix B*** for components that were assessed for the educational suitability evaluation.

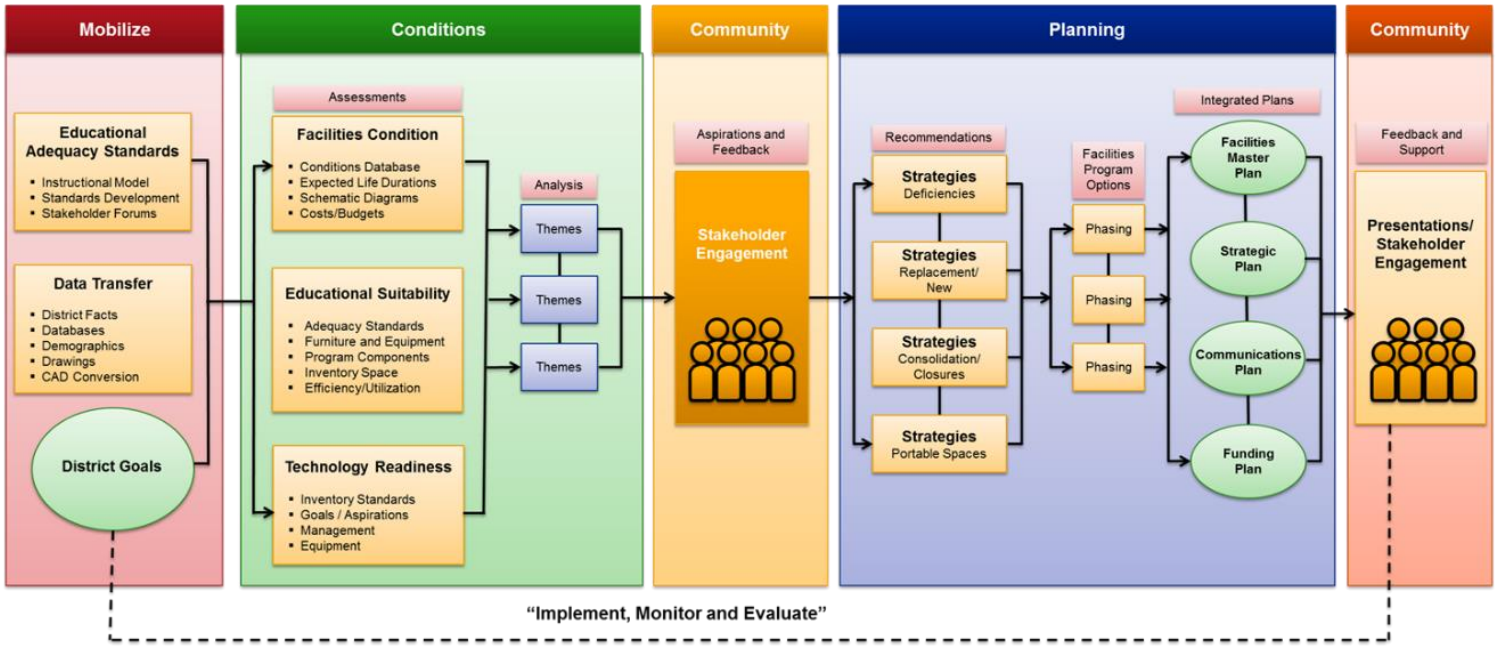
review of the capacity and utilization of each school. These data were collected during the site assessments and provide a glimpse into the usage of the facilities based on current programs. (See **Section 2.1**, below, for greater detail on the assessment methodology.)

2.0.6 Financial Review: MGT staff gathered financial information from each district and from county administrators to understand how the district is funded and how funding could be used to support facility improvements. This portion of the report has included data gathered from state, county, and district websites, interviews with district and county staff, and analyses comparing the districts across the state.

2.0.7 Facility Analyses: MGT and Parsons staff have reviewed all the data from the site assessments, conducted extensive quality analyses and reviews, and developed a matrix showing the condition and educational suitability of the facilities in each district. These data are shown in the sections dealing with each district. In addition, MGT has developed state-wide comparisons and analyses that will allow the state to develop a picture of the relative needs of the counties – both based on the condition of the schools and based on the capacity of each district/county to fund facility improvements.

MGT's work to gather and report information about district facilities based on objective assessments is displayed in the graphic below, in **Exhibit 2-1**, that illustrates how facility planning connects to other aspects of a district's work, including the educational program and the fiscal review.

EXHIBIT 2-1
TYPICAL PROCESS FOR FACILITY REVIEW AND ANALYSIS



Source: MGT of America Consulting, LLC, 2017.

This section of the report describes the methodology and approach for the study and data collection in each district and is divided into four components:

2.1. FACILITY ASSESSMENTS

MGT conducted facility assessments in each of the nine school districts, beginning in January and ending in early March. There were four assessments conducted for each school:

- Building Condition – conducted by Parsons' architects/engineers
- Site Condition – conducted by Parsons' architects/engineers
- Educational Suitability – conducted by MGT's educators
- Technology Readiness – conducted by MGT's educators

BUILDING CONDITION ASSESSMENT

The assignment for the Parsons condition assessment team was "to assess and report facility construction needs for buildings comprising a school campus intended for instruction and student activities." The key tasks were to determine the physical condition of the selected schools using industry standard techniques and then recommend repairs or improvements to remediate observed or predicted deficiencies of the facilities. Staff conducted visual, non-destructive, non-invasive inspections and evaluations of the selected instructional facilities which included permanent buildings and associated site improvements. The work involved the following major steps or phases:

- Collection of relevant documents, including building plans, facility and building system reports, renovation histories, etc., and development of assessment schedules from the county school districts for all facilities.
- Development of cost models for each of the facilities to establish cost estimates for remediation solutions and forward-looking capital renewal plans.
- Assessment visits to each facility by assessors to interview the administration and facilities staff and walk the entire facility to observe, photograph, and document actual conditions.
- Analysis of the physical condition of these facilities by comparing the cost model predictions against the actual observed conditions to determine current and potential building and space deficiencies for the building(s) and the site.
- Preparation of reports summarizing conditions, current deferred maintenance, and capital renewal projections, and generating useful metrics, such as the Facility Condition Index (FCI).

Assessment Methodology Concepts

Life-Cycle Analysis. We have developed our methodology in conformance with ASTM E2018-08 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. This visual, non-invasive approach is based on the concept of life-cycle analysis, whereby building systems (e.g., HVAC and roofs) or components (e.g., pumps, carpet, or light fixtures) can be assigned an

expected term of useful or service life under normal conditions. When a system or component has reached the end of this expected life, it can be declared "expired" and become a "deficiency."

After preparing the life-cycle database, we walk each facility to confirm or modify the predictions with actual observations and may create additional deficiencies for acute failures or other problems found during the walks.

Classification System – UNIFORMAT II. Our descriptions of buildings and site systems and components are defined by the rigorous use of the ASTM UNIFORMAT II Classification for Building Elements (E1557-97). UNIFORMAT II is also the foundation for the RSMeans cost estimating system that is embedded into eCOMET.

RSMeans for Cost Estimating and Facility-Type Cost Models. Our facility assessors use pricing provided by RSMeans for the basis of estimating deficiencies and cost model systems adjusted for local experience. Costs can be further adjusted to reflect project soft costs that are not included in RSMeans pricing to meet client-specific needs.

Capital Renewal Projections. Using expected life cycles based on the Building Owners and Managers Association (BOMA) and other trade groups, and tailored to match clients' prior experience, forecasts can be made for when systems will reach their "expiration date" and replacement budgets can be projected, including assumed rates of inflation.

Assessment Software Technology. Parsons has developed its own assessment software solution, called eCOMET v2014, which provides industry-leading capabilities for collecting, assessing, reporting, and forecasting condition analysis and requirements for remediating facilities and equipment.

Assessment Process

For the field assessments, the Parsons assessors walked the buildings and grounds with maintenance staff, specifically those with direct experience at these facilities. Parsons staff are nationally-experienced assessors with architecture, engineering, or construction training who use our eCOMET condition assessment and asset management software to gather information about all building systems. These data are used to identify systems that are out of date or need replacement and define the condition of the facility.

Our methodology to assess deferred maintenance includes detailed guidelines and procedures on how each assessment will be conducted in accordance with the requirements of the scope of work to ensure consistency during evaluations. It is based on best practices that we have initiated, developed, and executed on numerous facility assessment assignments. The main procedures for conducting field assessments are summarized in the following activities list:

- Prepare assessment schedules, project management plan, etc.
- Establish eCOMET® database, including facility tree, cost models, system life cycles, etc.
- Perform a visual, non-destructive inspection of each facility
  - Conduct in-briefing and staff interview to capture institutional knowledge
  - Enter all interior spaces, e.g., mechanical rooms and electrical closets, for condition analysis
  - Access roof via hatch and/or ladders
  - Walk exterior of building/site

  - Confirm issues discussed during staff interviews
- Identify/confirm building and site system installation dates and assess the remaining service life of each
- Photograph all building and site systems, and elevations

Data Analysis

When the elements have been assessed within each facility, the following steps were implemented to capture the information necessary to document the condition:

Facility/Cost Model Analysis. Evaluate the percentage used of the service life span (useful life) of building systems for renewal forecasting. Establish a replacement value for each system and the total facility to reflect soft costs, such as demolition, site preparation, design, inspection, testing, commissioning, and any other costs applicable to the project scope. Calculate the FCI and remaining service life for each system and facility.

Predict Capital Renewal. Using eCOMET, Parsons analyzes and reports on the life-cycle status and determines whether a system has reached the end of its expected service life. Replacement costs are inclusive of incidental and ancillary cost factors as well as an annual inflation rate. Future work is estimated by taking the replacement cost of a particular system, forecasting the date of renewal using the expected life, and applying escalation.

Create Deficiencies. Provide an assessment of existing deferred maintenance and code-related deficiencies.

Create Corrections and Cost Budgets. Develop one or more means of mitigation (a required action) for every deficiency identified in the assessment. Each required action includes a description of the methods and materials necessary to conduct the work and includes a preliminary budget for the work.

Prioritize Deficiencies. Parsons understands that the reduction of the deferred maintenance backlog will be a multi-year task. A time-based priority is assigned to each deficiency.

Reports

Parsons prepared summary reports tabulating the current deferred maintenance needs (replacement costs of expired systems, observed failures, and functionally deficient systems and components), current replacement values (CRV) of the whole facility, and metrics such as the Facility Condition Index (FCI) and the reciprocal FCA or Condition Score (see section on project scoring and ranking methods). These metrics are used by MGT in conjunction with the Suitability scores, like two sides of a coin, to develop overall budgets for mitigating deficiencies and apply ranking and rating schemes to the facility portfolios. We also developed forecasts for the renewal of all building systems through life-cycle analysis. These forecasts assist in the creation of future capital renewal projects and allow for long-term budgeting.

Parsons prepared a facility assessment report for each school campus. The assessment reports include a section for each building/structure on the campus and associated site that roll up into the overall campus report. Copies of these individual school reports are referenced as ***Appendix D*** to this summary report.

While the eCOMET® building condition FCI is reported in ***Appendix E,*** this score was converted to a 100-point scale to be consistent with the suitability and technology readiness scores. Since a school may have different condition scores for multiple buildings, the overall condition score for a school is shown as a weighted score. The weighted score for a school is the condition score (weighted by building square footage) of all the buildings at a school (excluding portables).

The weighted condition scores are interpreted as follows:

90+	**New or Like New:** The building and/or a majority of its systems are in very good condition and only require preventive maintenance; only a few, if any, systems have reached their expected life-cycle age. The total replacement cost of any "expired" systems is less than 10% of the current replacement value of the facility.
80-89	**Good:** The building and/or a majority of its systems are in good condition and only require routine maintenance; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 10 and 20% of the current replacement cost of the facility.
70-79	**Fair:** The building and/or some of its systems are in fair condition based on age and operations; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 20 and 30% of the current replacement cost of the facility.
60-69	**Poor:** The building and/or a significant number of its systems are in poor condition and require major repair, renovation, or replacement; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 30 and 40% of the current replacement cost of the facility.
BELOW 60	**Unsatisfactory:** The building and/or a majority of its systems should be replaced due to risk of system failure, inefficient operation and increased maintenance requirements; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is greater than 40% of the current replacement cost of the facility.

SITE CONDITION ASSESSMENT

The site condition assessment was conducted by walking each facility with a district or building maintenance staff member to observe both current conditions and learn about regularly occurring events – e.g., flooding during rain events that might not be visible during the site visit. The site score is a measure of the amount of capital needs or deferred maintenance at the site, which includes the driveways and walkways, the parking lots, the playfields, the utilities, fencing, etc. The site was scored using eCOMET®.

The site condition scores are interpreted as follows:

90+	**New or Like New:** The site and/or a majority of its systems are in very good condition and only require preventive maintenance; only a few, if any, systems have reached or exceed their expected service life (life-cycle age), the total replacement cost of these "expired" systems is less than 10% of the current replacement value of the site systems.
80-89	**Good:** The site and/or a majority of its systems are in good condition and only require routine maintenance; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 10 and 20% of the current replacement cost of the site systems.
70-79	**Fair:** The site and/or some of its systems are in fair condition based on age and operations; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 20 and 30% of the current replacement cost of the site systems.
60-69	**Poor:** The site and/or a significant number of its systems are in poor condition and require major repair, renovation, or replacement; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 30 and 40% of the current replacement cost of the site systems.
BELOW 60	**Unsatisfactory:** The site and/or a majority of its systems should be replaced due to risk of system failure, inefficient operation and increased maintenance requirements; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is greater than 40% of the current replacement cost of the site systems.

The site condition scores were calculated in the same manner as the building condition scores.

EDUCATIONAL SUITABILITY ASSESSMENTS

The educational suitability assessment evaluates how well the facility supports the educational program that it houses. The educational assessments were conducted by walking each site with the principal/designee to understand how well each instructional program was housed in the school. Each school receives one suitability score that applies to all the buildings at the facility. The educational suitability of each school was assessed with BASYS® using the following categories:

ENVIRONMENT	The overall environment of the schools with respect to creating a safe and positive learning environment.
CIRCULATION	Pedestrian/vehicular circulation and the appropriateness of site facilities and signage.
ENVIRONMENT BY ROOM TYPE	The existence and quality of facilities and spaces to support the educational program being offered. These include general classrooms, special learning spaces (e.g. music rooms, libraries, science labs), and support spaces (e.g. administrative offices, counseling offices, reception areas, kitchens, health clinics).
SIZE	The adequacy of the size of the program spaces.
LOCATION	The appropriateness of adjacencies (e.g., physical education space separated from quiet spaces).
STORAGE & FIXED EQUIPMENT	The appropriateness of fixed equipment, storage, and room surfaces (e.g., flooring, ceiling materials, and wall coverings) and specialized safety or program equipment (e.g., safety shower and eyewash in science labs, kiln and clay traps in art rooms).

Suitability scores are interpreted as follows:

90+	**Excellent:** The facility is designed to provide for and support the educational program offered. It may have a minor suitability issues but overall it meets the needs of the educational program.
80-89	**Good:** The facility is designed to provide for and support a majority of the educational program offered. It may have minor suitability issues but generally meets the needs of the educational program.
70-79	**Fair:** The facility has some problems meeting the needs of the educational program and will require remodeling/renovation.
60-69	**Poor:** The facility has numerous problems meeting the needs of the educational program and needs significant remodeling, additions, or replacement.
BELOW 60	**Unsatisfactory:** The facility is unsuitable in support of the educational program.

TECHNOLOGY READINESS

The BASYS® technology readiness score measures the capability of the building's existing infrastructure to support information technology and associated equipment. Technology Readiness was assessed by an MGT educator while walking each building with the principal and after discussion with district technology staff. The assessment tool does not assess software or hardware, but examines infrastructure issues, such as having sufficient cooling and power outlets for computers.

Technology Readiness scores can be interpreted as follows:

90+	**Excellent:** The facility has excellent infrastructure to support information technology.
80-89	**Good:** The facility has the infrastructure to support information technology.
70-79	**Fair:** The facility is lacking in some infrastructure to support information technology.
60-69	**Poor:** The facility is lacking significant infrastructure to support information technology.
BELOW 60	**Unsatisfactory:** The facility has little or no infrastructure to support information technology.

COMBINED SCORES

To assist in the task of prioritizing projects, all four assessments – building condition, site condition, educational suitability, and technology readiness – have been combined into one score for each school. Since the building condition score is a measure of the maintenance needs (e.g. leaky roofs, etc.) and the educational suitability score is a measure of how well the building design and configuration supports the educational program, it is possible to have a high score for one assessment and a low score for another assessment. It is the combined score that attempts to give a comprehensive picture of the conditions that exist at each school and how each school compares relative to the other schools in the district.

To create the combined score, the four scores have been weighted, based on which deficiencies the district wants to emphasize and the relative impact on capital costs. For the pilot assessment in Harnett County schools, the building condition score was weighted 50%, the site condition score was weighted 10%, the educational suitability score was weighted 30% and the technology readiness score was weighted 10%. These weightings were approved by the Program Evaluation Division (PED) and used in the development of combined scores for all other counties.

The specific conditions that contributed to the score are provided in ***Appendices D, F*** and ***G***.

2.2. SCHOOL CAPACITY / UTILIZATION

MGT gathered information and conducted a capacity and utilization analysis for each school in each district. The data were gathered during the site assessments when MGT staff walked each building with the principal/designee. This enabled us to gather information about how each space was currently being used and, based on those data, to determine the current program capacity and utilization.

The capacity of a school is sometimes viewed as a fixed number. For example, some architects and planners allow a certain number of square feet per student and assign the capacity of a school based on that number. However, this approach suggests that the actual use of space does not change over time and therefore the capacity of a school doesn't change over time.

MGT uses the functional capacity of an educational facility, defined as the number of students the facility can accommodate, given the specific educational programs, the class schedules, the student-teacher ratios, and the size of the rooms to define capacity, as per DPI guidelines. The utilization rate of a facility is calculated by dividing the current or projected enrollment of the educational facility by the capacity. The utilization rate is used to determine if the facility has excess space or if it is lacking sufficient space for the given enrollment – current or planned.

This section reviews capacity and utilization and provides insight into Functional Capacity and Capacity and Utilization Rates.

FUNCTIONAL CAPACITY

The *functional capacity* used by MGT is calculated using an *Instructional Space Model*. This model counts the number of the various types of instructional rooms and multiplies that number by the maximum students per room or the *loading* factor to identify the gross capacity for the school. The gross capacity is then multiplied by a scheduling factor, which takes into account the realities of how the space is used. Typically, not all classrooms are scheduled for every period at a middle or high school. For example, high school students move from room to room and enroll in a variety of courses. As a result, some rooms will sit empty or will be less than fully occupied at any given time. Teacher preparation periods can also contribute to rooms not being used for instruction at a particular time if teachers are allowed to stay in the classroom during prep periods. Therefore, MGT typically uses a 75% scheduling factor at high schools to reduce the gross capacity of the building to reflect the unused rooms. Middle and K-8 schools are assigned an 85% scheduling factor. An elementary school has a much more static and consistent daily use, so MGT uses a 95% scheduling factor for elementary schools.

Exhibit 2-2 on the following page lists the loading factors and scheduling factors used to calculate the functional capacities in the pilot study of Harnett County.

EXHIBIT 2-2
EXAMPLE FUNCTIONAL CAPACITY LOADING/SCHEDULING FACTORS

INSTRUCTIONAL SPACE MODEL GUIDELINES	
Room Type	**Loading Factor (Students/Room)**
Pre-Kindergarten	0
Kindergarten	18
ES General Classroom (1-3)	17
ES General Classroom (4-6)	26
MS General Classroom	26
HS General Classroom	22
Science MS/HS	26/18
Vocational MS/HS	0/15
Music MS/HS	0/22
P.E. MS/HS	0/50
Art MS/HS	0/22
Computer Lab	0/22
Elementary Special Education self-contained	10
Secondary Special Education self-contained	10
Elementary Resource (pull-out)	0
Secondary Resource (pull-out)	0
School Type	**Scheduling Factor**
Elementary Schools	95%
Middle Schools	85%
High Schools	75%

Source: Department of Public Instruction, 2016.

For the purpose of this review, MGT has not included any "portable" buildings in the count of instructional spaces at a school. We recommend that portable buildings not be included since they are not part of the permanent structure and students housed in these facilities may not have adequate access to restrooms and/or the library. Many districts, including Harnett County, have added portable buildings when more classroom space has been needed. However, few permanent buildings have added core space to support the additional number of students needed to be housed in the school.

Exhibit 2-3 shows how the model is used to calculate the capacity of a theoretical school. As shown, the number of general classrooms (35) is multiplied by the loading factor of 22 students/room to generate a capacity of 770. This calculation methodology is repeated based on each room type. The gross total capacity of 1,495 is multiplied by the high school scheduling factor of 75% to determine the capacity of Example High School of 1,121 students.

EXHIBIT 2-3
NORTH CAROLINA PROGRAM SPACE GUIDELINE

ROOM TYPE	NUMBER OF CLASSROOMS X	STUDENTS/CLASS ROOM	= CAPACITY
HS General Classroom	35	22	770
Science MS/HS	7	18	126
Vocational MS/HS	15	15	225
Music MS/HS	2	22	44
P.E. MS/HS	4	50	200
Art MS/HS	1	22	22
Computer Lab	4	22	88
Secondary Special Education self-contained	2	10	20
Secondary Resource (pull-out)	3	0	0
Total Capacity (w/o scheduling factor) =			***1,495***
x High School scheduling factor			***75%***
Sample Harnett County High School Capacity =			***1,121***

Source: MGT of America Consulting, LLC, 2017.

CAPACITY AND UTILIZATION RATES

The effective management of school facilities requires a school's capacity and enrollment to be aligned. When capacity exceeds enrollment (under-utilization), operational costs are higher than necessary and facilities may need to be repurposed or the facilities may need to be removed from inventory. When enrollment exceeds capacity (over-utilization), the school may be overcrowded and may require capital expenditures or redistricting (adjustments to attendance boundaries) to alleviate the crowding.

For the purpose of determining enrollment in North Carolina, current average daily membership (ADM) was used. The North Carolina Department of Public Instruction (DPI) defines ADM as follows:

- The total number of school days within a given term - usually a school month or school year - that a student's name is on the current roll of a class, regardless of his/her being present or absent, is the "number of days in membership" for that student.
- Average Daily Membership (ADM) for each school month is based on the sum of the number of days in membership for all non-violating (NVIO) students in individual LEAs/Charters, divided by the number of days in the school month (ADM = Member Days (NVIO) / # of days in the school month rounded to nearest whole number).
- The final Average Daily Membership is the total days in membership (NVIO) for all students over the school year divided by the number of days school was in session. Average Daily Membership is a more accurate count of the number of students in a school than enrollment.

Exhibit 2-4 provides information about school utilization, color coded to provide the reader with an understanding of best practices for utilization. Schools that are over 110% utilized have inadequate space; those that are less than 69% utilized are inefficient and have too much space not being well-used.

EXHIBIT 2-4
EXAMPLE UTILIZATION INTERPRETATION

UTILIZATION	DESCRIPTION
> 110%	Inadequate space
95 – 110%	Approaching Inadequate space
80 – 95%	Adequate space
70 – 80%	Approaching Inefficient use of space
< 69.99%	Inefficient use of space

In this report, MGT has provided data for each school in each district, including the capacity and utilization based on this color-coded chart.

2.3. BUDGET ESTIMATES

BUDGET CALCULATIONS

Budgets for remediating deficiencies and deferred maintenance and the construction of additions or new/replacement schools were developed using the formula presented in **Exhibit 2-6**.

Construction costs for new construction were identified using the average current construction data from the region for the three types of facilities: elementary schools, middle schools and high schools. The construction costs, in dollars per gross square foot, were adjusted to create "Replacement Costs" by adding factors for soft costs including a factor for fixtures, furniture and equipment, a factor for a project contingency, and a factor for architectural/engineering/permit fees. The "Replacement Cost" is used to estimate new construction. An additional 10% renovation factor is added to the "Replacement Cost" to achieve a "Renovation Cost" which is used for remediating deferred maintenance and existing deficiencies.

The building construction cost is adjusted to develop square footage costs to apply to the educational suitability, technology readiness, and site condition deficiencies. These adjustments are based on models developed by MGT and are derived from data from past projects. The educational suitability, technology readiness, and site condition costs are then adjusted like the building condition costs to develop budget estimates for renovation projects.

These cost factors are then used to develop budgets for all Districts identified in the master plan.

EDUCATIONAL SUITABILITY AND TECHNOLOGY READINESS BUDGETS

Budgets for correcting the suitability and technology infrastructure deficiencies at a given school were developed using a methodology applied to similar assessments conducted nationally by MGT. The amount calculated is intended to be used as a budget for correcting the overall educational suitability and technology infrastructure needs of a facility and not as cost estimates for *individual* deficiencies because experience has shown that it is difficult (if not impossible) to calculate the cost of correcting items such as classrooms that are sized incorrectly, inappropriate adjacencies, lack of a variety of teaching/learning spaces, etc. prior to developing a specific design solution. The remediation of these deficiencies can take a variety of forms and requires a design study before accurate cost calculations can be made. We can, however, develop a budget for suitability and technology infrastructure improvements based on the *overall* suitability or technology score of a school and our experience in correcting the overall deficiencies based on that score. Budget projections for each facility are included in the report and should be used as a starting place for long range planning.

To develop the budgets, each assessment item is weighted based on its relative importance in developing the overall cost of the building. The overall level of deficiencies is then multiplied by the gross square footage in the facility and the cost per square foot to replace the facility. This calculation produces a budget for correcting the educational suitability deficiencies specific to the individual school.

ADDITIONS FOR CAPACITY BUDGET

The MGT/Parsons process for identifying needed additional classrooms was based on the capacity and utilization analysis. If a school had utilization in excess of 95%, a budget was developed for adding classrooms to house the "excess" students at a rate of one classroom per each 17 students at the elementary level, 26 students at the middle school level, and 22 students at the high school level. The classrooms were sized at 1,000 SF plus 15% for circulation. This number was then multiplied by the replacement cost/GSF to generate the budget estimate for additions, as shown below in **Exhibit 2-5**.

EXHIBIT 2-5
BUDGET ESTIMATE TABLE FOR SCHOOL ADDITIONS

Site Type	Students/ Room	Utilization cut point for additions	SF/Student	Replacement Cost per GSF
Elementary	17	95%	1,000	$241.88
Middle	26	95%	1,000	$252.84
High	22	95%	1,000	$243.38

Source: MGT of America Consulting, LLC, 2017.

NEW SCHOOL BUDGET

The MGT/Parsons process for identifying the need for new or replacement schools was based on the combined score for the assessments. If a school had a combined score of less than 60, a budget was developed for building a new school. The budget was based on the replacement value of the school building(s) and site development at the existing site or a new site. The budget does not include the purchase of a site.

EXHIBIT 2-6
BUDGET FORMULA TABLE

Budget Estimate Formula - All Schools							
Project Type	**Average Cost per Gross Square Footage (GSF) for new const.**	**Furniture, Fixtures & Equipment (FF&E) @ 10%**	**Contingency @ 5%**	**Architect & Engineer (A&E), permit, testing, etc. @10%**	**Replacement Cost per GSF**	**Renovation factor @ 10%**	**Renovation Cost per GSF**
Building Condition Deficiencies ES/PK	190.38	$19.04	$10.47	$21.99	$241.88	$24.19	266.06
Educational Suitability Deficiencies	$66.63	$6.66	$3.66	$7.70	N/A	$8.47	93.12
Technology Readiness Deficiencies	$3.68	N/A	$0.18	$0.39	N/A	$0.43	4.68
Site Condition Deficiencies	$29.65	N/A	$1.48	$3.11	$34.25	$3.42	37.67
Building Condition Deficiencies MS	199.01	$19.90	$10.95	$22.99	$252.84	$25.28	278.12
Educational Suitability Deficiencies	$69.65	$6.97	$3.83	$8.04	N/A	$8.85	97.34
Technology Readiness Deficiencies	$3.85	N/A	$0.19	$0.40	N/A	$0.44	4.89
Site Condition Deficiencies	$39.73	N/A	$1.99	$4.17	$45.89	$4.59	50.48
Building Condition Deficiencies HS/Other Educational	191.56	$19.16	$10.54	$22.13	$243.38	$24.34	267.72
Educational Suitability Deficiencies	$67.05	$6.70	$3.69	$7.74	N/A	$8.52	93.70
Technology Readiness Deficiencies	$3.71	N/A	$0.19	$0.39	N/A	$0.43	4.71
Site Condition Deficiencies	$33.46	N/A	$1.67	$3.51	$38.65	$3.86	42.51

Source: MGT of America Consulting, LLC, 2017.

2.4. FUNDING CAPACITY

METHODOLOGY

The MGT / Parsons financial evaluation team collected and analyzed a variety of financial data and information related to the capital program of nine school districts located in Anson, Bertie, Clay, Davie, Greene, Harnett, Jones, Scotland, and Yancey counties. In addition, there were interviews conducted with the business officials of each district and county to further understand the various concerns, challenges and nuances related to the capital and maintenance programs of each district.

The data was collected into two models, current year and historical, for the purposes of looking at two specific perspectives. The current year model collected and analyzed data focused on the assessed value, tax rate and indebtedness of each district. This information was used to determine the capability of the district to address school facility needs. The historical analysis of each district was an effort to determine the relationship between the overall district budget, the indebtedness, the maximum allowable debt, and the tax rate. This perspective was an examination of the historical level of effort to address school facility needs.

Exhibit 2-7 is a tabular and graphical representation of historical tax rates. **Exhibits 2-8** and **2-9 are** models which illustrate and define the ability of each district to meet their capital future program needs.

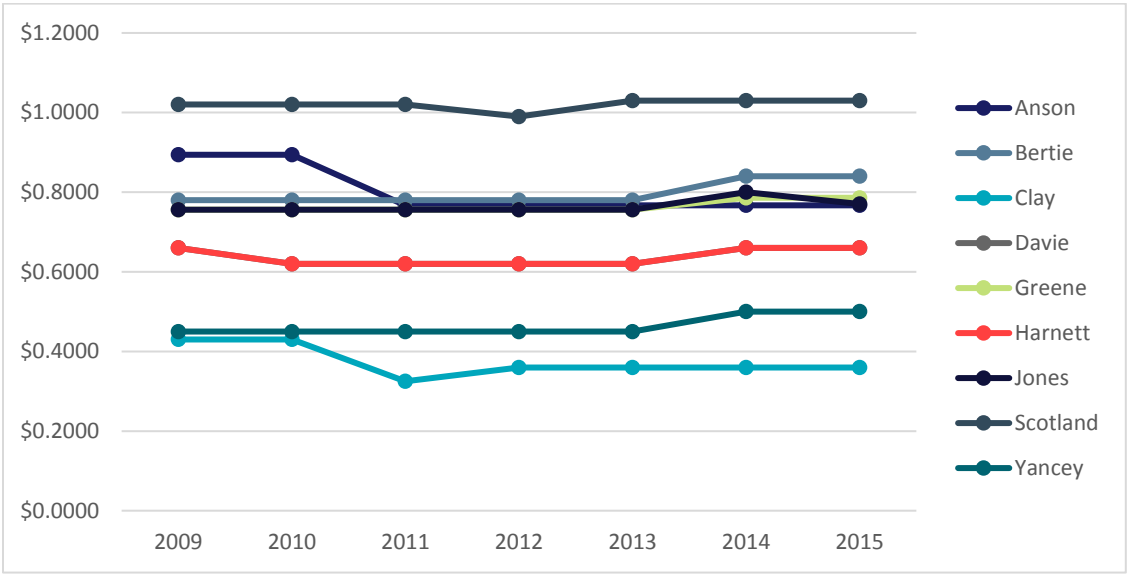
OVERVIEW

The nine North Carolina school districts evaluated in the Legislative Services Commission of the North Carolina General Assembly showed significant challenges in securing the needed capital program funds to address new construction, building renovations, building additions or school building deficiencies within their districts. The capital program revenue is created by a series of complex and compounding calculations related primarily to the district's assessed property values (AV) and how those AVs based on county property tax rates translate into revenue for capital projects. Districts in North Carolina are dependent upon the county to provide capital program revenue. In the nine districts evaluated the ability to raise tax rates to pay an annual debt services payment associated with either a general obligation bond or installment purchase debt is challenging given the AV and current tax rates.

EXHIBIT 2-7
SIX-YEAR HISTORICAL PROPERTY TAX RATE COMPARISON

6-year Historical Tax Rate Comparison	2009	2010	2011	2012	2013	2014	2015
Anson	$0.8940	$0.8940	$0.7670	$0.7670	$0.7670	$0.7670	$0.7670
Bertie	$0.7800	$0.7800	$0.7800	$0.7800	$0.7800	$0.8400	$0.8400
Clay	$0.4300	$0.4300	$0.3250	$0.3600	$0.3600	$0.3600	$0.3600
Davie	$0.6600	$0.6200	$0.6200	$0.6200	$0.6200	$0.6600	$0.6600
Greene	$0.7560	$0.7560	$0.7560	$0.7560	$0.7560	$0.7860	$0.7860
Harnett	$0.6600	$0.6200	$0.6200	$0.6200	$0.6200	$0.6600	$0.6600
Jones	$0.7560	$0.7560	$0.7560	$0.7560	$0.7560	$0.8000	$0.7700
Scotland	$1.0200	$1.0200	$1.0200	$0.9900	$1.0300	$1.0300	$1.0300
Yancey	$0.4500	$0.4500	$0.4500	$0.4500	$0.4500	$0.5000	$0.5000

EXHIBIT 2-7 (CONTINUED)
SIX-YEAR HISTORICAL PROPERTY TAX RATE COMPARISON



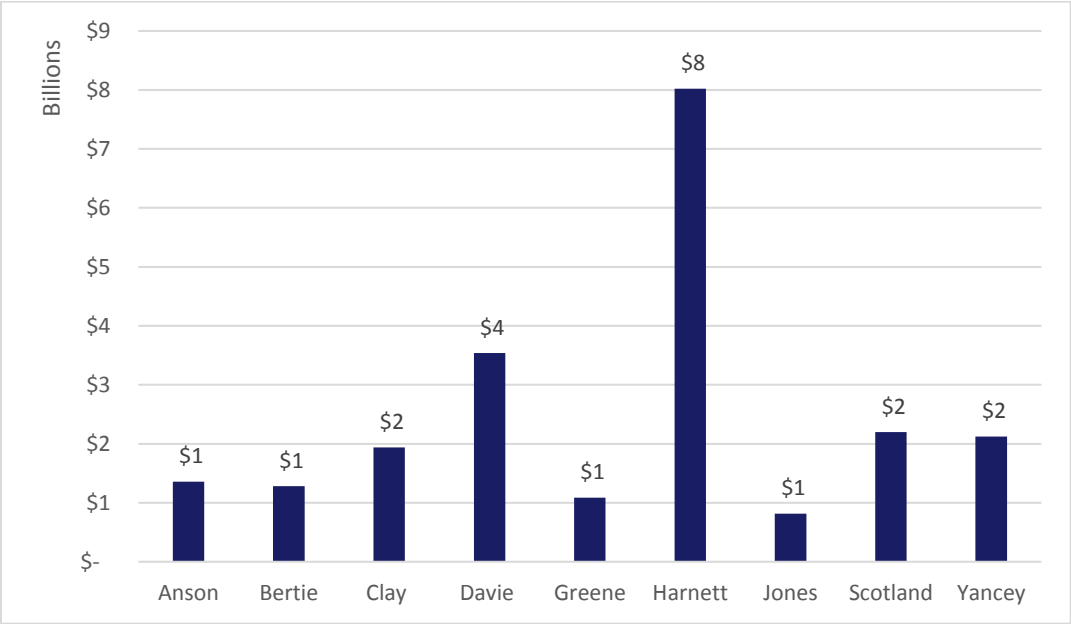
Source: *Comprehensive Annual Financial Repor*t (CAFR) FY 2015-16. Calculated by MGT, 2017.

Assessed valuation has the most influence on the capability and capacity of a county and the school district to raise capital funding. If AV is significant enough to generate the needed capital funding to pay for the new, renovated or remodeled construction then typically the county and subsequently the school district are able to fund the necessary county capital projects. If, however, the combination of AV and tax rate are not adequate, in terms of raising sufficient capital, then both the county and the school district will be challenged to meet the capital, operational and maintenance needs of their current and future buildings.

Districts included in the study are primarily located in rural areas and lack concentrations of large office and commercial property complexes. The lack of commercial concentration creates higher dependence on residential homeowners to pay increased taxes to finance a new school. The tax burden bears more heavily on such homeowners and small farms and businesses. This problem is compounded if a rural county experiences school facility deficiencies and crowding simultaneously with negative to zero growth rates and downturns in property values and business activity.

The underlying premise is that the lower the AV, the more debt-to-budget impact there will be and the less likely that bond-generated funding will be supported by the county constituency. On the following page in **Exhibit 2-8** are the current assessed valuations and tax rates for each of the counties. The ability of a county to secure bonding capacity is challenging, given it is directly related to their credit rating which is established in conjunction with the county commissioners and the North Carolina Department of the State Treasurer. This credit rating affects the rate of interest imposed on the county and may influence the marketability of the bond. A lower rating can also increase interest costs, which impacts annual debt service payments.

EXHIBIT 2-8
2015-16 ASSESSED VALUES



Source: *Comprehensive Annual Financial Repo*rt (CAFR) FY 2015-16.

The following **Exhibit 2-9** shows the annual assessed tax rate for each of the nine counties in comparison to the statewide average based on a current home value of $100,000.

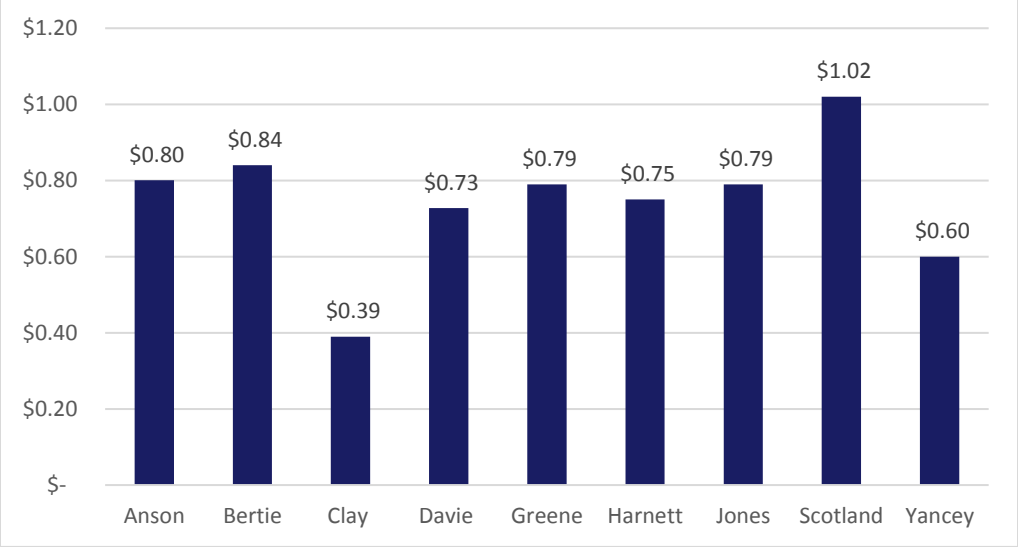
EXHIBIT 2-9
ANNUAL ASSESSED TAX RATE PER HOUSEHOLD COMPARISON

Property Tax Rate Impact	Statewide Average	Anson	Bertie	Clay	Davie	Greene	Harnett	Jones	Scotland	Yancey
Property Tax Rate	$0.69	$0.80	$0.84	$0.39	$0.73	$0.79	$0.75	$0.79	$1.02	$0.60
Annual Assessed Tax ($100,000)	$686.50	$801.00	$840.00	$390.00	$728.00	$790.00	$750.00	$790.00	$1,020.00	$600.00

Source: *Comprehensive Annual Financial Repo*rt (CAFR) FY 2015-16. Calculated by MGT, 2017.

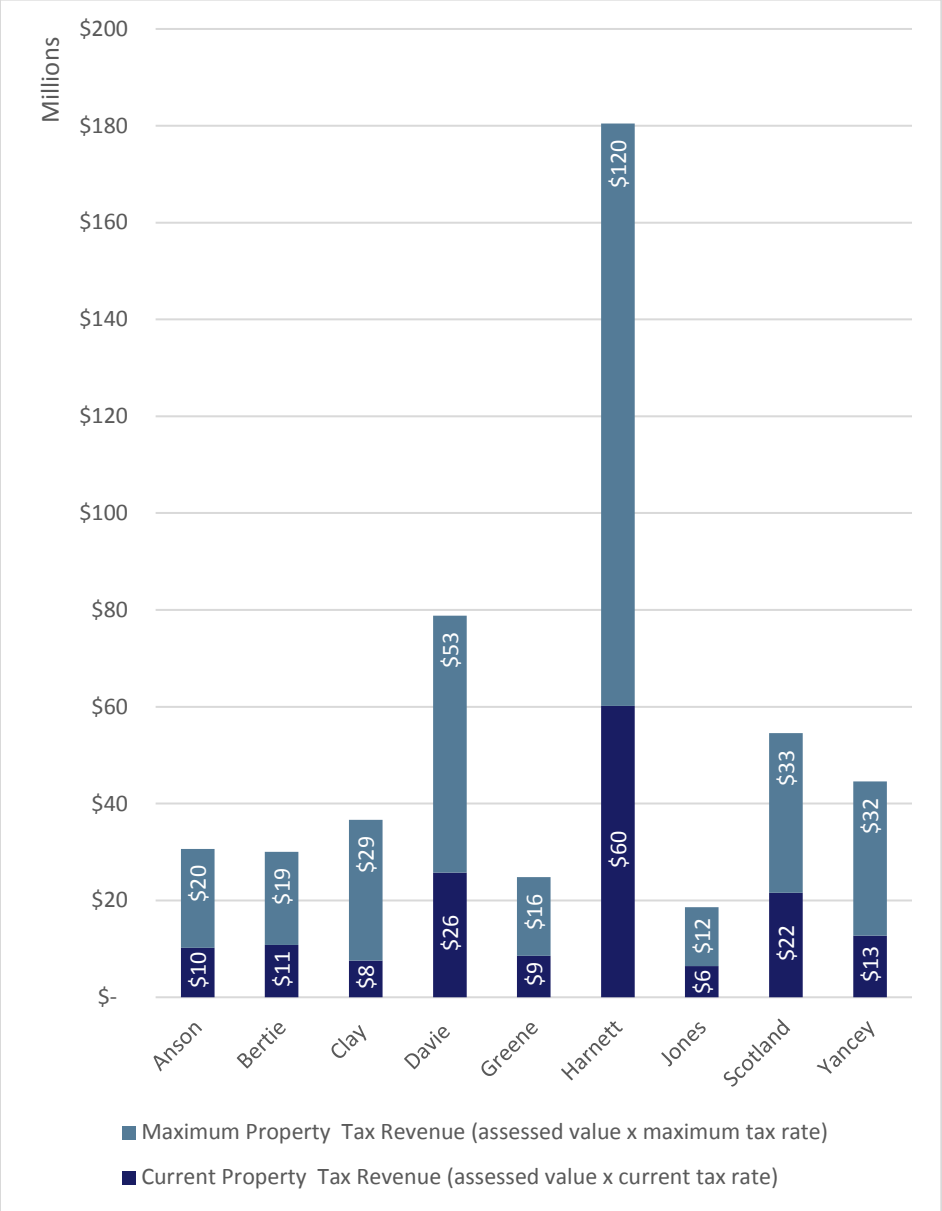
The maximum amount of indebtedness and the periodic cost of outstanding debt for any county/district is established through a set of state-established protocols and a district may or may not have the ability to finance and service debt for their specific capital needs. North Carolina General Statute 159-55(c) limits outstanding debt for a county to a maximum of 8% of its AV. Additionally, the counties are limited by a maximum tax rate of $1.50 per $100 of assessed valuation. As an example, in Davie County, the tax rate is $0.728, well below the maximum of $1.50, and the debt to assessed value percentage is currently 1.6%. Both of these factors, the 8% cap on debt limit and the maximum tax rate, currently do not prohibit counties from financing their capital construction needs as none of the counties have reached these thresholds. As shown in **Exhibit 2-10** Current County Tax Rates and **Exhibit 2-11** Maximum Allowable Debt, the nine counties are not at their maximum indebtedness or the maximum tax rate. It is important to point out that this is true not only of the nine counties included in this study but for counties across the state as the average tax rate statewide is just under $0.66. Seven (Anson, Bertie, Davie, Greene, Harnett, Jones and Scotland) of the nine counties included in this study currently exceed this average rate.

EXHIBIT 2-10
COUNTY PROPERTY TAX RATES



Source: *Comprehensive Annual Financial Repo*rt (CAFR) FY 2015-16.

EXHIBIT 2-11
CURRENT DEBT VS MAXIMUM ALLOWABLE PROPERTY TAX REVENUE



Source: *Comprehensive Annual Financial Repo*rt (CAFR) FY 2015-16.

GOVERNANCE MODEL

The governance model for school districts in North Carolina divides the responsibilities between School Boards for operational and academic control and County Commissions, which provide financial oversight. In most instances, this arrangement provides the necessary checks and balances that were intended when this structure was put in place many years ago. However, in some cases, the tension between the two entities can create a difference in approaches to the various capital funding needs of the district.

Although districts may be able to garner adequate community support to pass a bond, the Commissioners may not be willing to assume the additional debt load caused by the sale of long-term general obligation bonds. Of the nine districts included in this study, three have current funding available from bond revenue. It is important to note that in North Carolina Boards of Education cannot issue debt. This is under the control of the County Commissioners who may be reluctant to fully fund the district's annual capital program requests and instead address each area of need separately as problems arise. Often this makes budgeting and prioritizing more difficult because of the uncertainty in the availability of funds.

From the county perspective, it is also challenging to determine what the district budgets are asking for and what are the most pressing needs regarding capital repairs. The inability of some districts to prepare an accurate and well-supported, data-driven facility plan leaves both parties without the requisite information to make informed and timely decisions. Districts and counties will continue to struggle with the development of comprehensive facility needs evaluations without a systematic process that is aligned to DPI facility guidelines. These guidelines, along with a set of industry standard best practices which guide districts through a structured self-evaluation process, are necessary to ensure accurate and timely information related to the facility needs of each school district. In addition to the alignment of the state guidelines, the development of a statewide system to enhance the current self-evaluation system should be put in place. Please see **Section 5.0 Conclusions and Recommendations** for further explanation.

BUDGET PROCESS

Throughout the budgeting process, districts are expected to provide the necessary information to the county so they can allocate the appropriate amount of capital program funding needed on an annual fiscal year basis. Commissioners, by statute, can request financial information from the Board of Education. However, in the case of capital projects that cross multiple years, the ability of the district and the county to engage in long range planning is more difficult. Revenue amounts change each year, allocations from the state vary, and project costs fluctuate, making it difficult to develop and manage cash flow scenarios in a predictable fashion. Each district budget over a ten-year period is shown in **Chapter 3.0** of this report.

REVENUE GENERATION

As is often the case, generating the necessary revenue to achieve even a small percentage of the capital program needs is challenging for all parties. The state provides a level of funding in the form of Lottery allocation dollars but recognizes that this is inadequate in terms of meeting the deferred maintenance needs of the 115 school districts. For the most part counties, to the best of their ability, work with the district to supplement state funding with locally-raised revenue to provide support and districts, when possible, work with their community to pass bond elections which can generate the most significant amount of revenue for new school construction, renovation, and repairs.

In addition, counties have the ability to implement local option sales taxes. Local option sales taxes return a portion of sales tax revenue to the counties. A portion of this revenue is earmarked for current school capital needs and debt service.

All of these revenue sources attempt to address the ever-increasing need of school districts for capital program dollars. However, despite all of these well-intended efforts, the revenue generated is still substantially less than that which is needed to meet the increasing demand. Often, the last remaining

option for the county is to change the tax rate so as to either increase revenue or to reduce expenses allowing for more potential outstanding debt dollars to be available for capital renewal. Specific tax rates and revenue generation for each district is included in **Chapter 3.0**.

FUNDING GAP

As school districts continue to re-evaluate their options for securing revenue to address their capital program needs, it becomes apparent that the sources are limited and in some cases less than equitable. Each revenue source – bonding, lottery, supplemental taxes – provides some level of revenue to address new construction, building renovation and / or deferred maintenance projects, but none of them, either as a single funding source or in a cumulative fashion, provides the necessary dollars to create long term revenue streams.

This funding "gap" means that most districts will have significant challenges in meeting their facility needs for future growth, long term maintenance, and system upgrades. In Harnett County Schools, the pilot district for this study, the total capital program need over the next ten years is $241,826,642 and the likely available resources (unrestricted education funds, lottery funds, county annual allocation, and capital) are $168,926,580 to address these needs. Over that ten-year period, the difference equates to a $72,900,062 funding gap. The funding gaps for all nine districts included in the study are included in **Chapter 3.0**.

Given the current available allocation processes, the funds available from the state, county, and local level are limited. Considering these limiting factors, it is unlikely that there will be an adequate capital funding stream to support the demand districts have to provide 21st Century schools to every student in North Carolina.

3.0 FINDINGS BY COUNTY

This chapter provides the following for each of the nine counties included in the report:

Introduction

Each county has unique circumstances that may affect the condition of schools, the ability of the county to fund capital construction, and the overall need. This section will provide an overview of district enrollment, years of school construction and any unique circumstances. Enrollment numbers reflect the 2015-16 school year for grades K-12.

Assessment Scores

The scores for each assessment and combined score, as described in **Chapter 2.0**, are included for each school in the county. The combined scores are color coded to reflect the conditions as:

COMBINED SCORES – BY SITE

COMBINED SCORES	DESCRIPTION
> 90	Excellent/Like New
80 - 89	Good
70 - 79	Fair
60 - 69	Poor
< 60	Unsatisfactory

Capacity and Utilization Analysis

Capacity and utilization rates, as described in **Chapter 2.0**, are shown for each school in the district. The scores are color coded to reflect the following school utilization:

UTILIZATION INTERPRETATION

UTILIZATION	DESCRIPTION
> 110%	Inadequate space
95 – 110%	Approaching Inadequate space
80 – 95%	Adequate space
70 – 80%	Approaching Inefficient use of space
< 69.99%	Inefficient use of space

Budget Estimates

This section compares the budget estimates for renovations, additions, and new construction derived from the district's self-assessment with the estimates developed by MGT/Parsons. Both sets of estimates included costs based on remediating deficiencies and deferred maintenance identified in the self-assessments and the MGT/Parsons facility assessments.

In addition, both assessments identified the costs associated with needed additions and new or replacement schools. The MGT/Parsons process for identifying needed additional classrooms was based on the capacity and utilization analysis. If a school had utilization in excess of 95%, a budget was developed for adding classrooms to house the "excess" students at a rate of one classroom per each 17 students at the elementary level, 26 students at the middle school level, and 22 students at the high school level. The classrooms were sized at 1,000 SF plus 15% for circulation.

The MGT/Parsons process for identifying the need for new or replacement schools was based on the combined score for the assessments. If a school had a combined score of less than 60, a budget was developed for building a new school. The budget was based on the replacement value of the school building(s) and site development at the existing site or a new site. The budget does not include the purchase of a site.

The methodology utilized by individual districts to complete the self-assessment differed among the nine districts, some estimating needs internally, some using data determined by outside consultants, and others not completing the self-assessment. This has resulted in data that is difficult to compare.

Funding Capacity

The funding capacity calculations section contains tables and charts that examine various financial elements of each of the districts to assist in clarifying the necessary financial considerations for funding future school facility needs identified in the previous sections of the chapter. The individual district financial elements include: assessed property valuation, current and future property tax rates, as well as the revenue generated by those tax rates to service potential future debt.

3.1 ANSON COUNTY

Anson County Schools serve 2,653 students in 11 schools. Year of construction ranges from Anson Middle School in 1966 to Anson Academy in 2013.

EXHIBIT 3-1
ANSON COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	55	84	71
MIDDLE SCHOOLS	37	37	37
HIGH SCHOOLS	51	78	67

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-2
ANSON COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	58%	122%	89%
MIDDLE SCHOOLS	136%	136%	136%
HIGH SCHOOLS	62%	146%	76%

Source: MGT of America Consulting, LLC, 2017.

ANSON ASSESSMENT SCORES

EXHIBIT 3-3
ANSON COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
ANSONVILLE ELEMENTARY	1993	45,540	19%	82	73	86	92	**83**
LILESVILLE ELEMENTARY	1990	63,744	44%	56	61	87	87	**69**
MORVEN ELEMENTARY	1993	59,399	44%	58	46	83	89	**67**
PEACHLAND-POLKTON ELEMENTARY	1993	66,179	37%	62	69	75	71	**68**
WADESBORO ELEMENTARY	1984	68,302	55%	45	45	67	72	**55**
WADESBORO PRIMARY	2001	67,442	13%	86	93	77	87	**84**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**370,606**	**35%**	**65**	**64**	**79**	**83**	**71**
Middle Schools								
ANSON MIDDLE	1966	120,423	87%	18	0	74	64	**37**
MIDDLE SCHOOL TOTAL/AVERAGE		**120,423**	**87%**	**18**	**0**	**74**	**64**	**37**
High Schools								
ANSON ACADEMY	2013	4,690	N/A[1]	N/A[1]	N/A[1]	54	82	**51**
ANSON CO. EARLY COLLEGE HIGH	2008	5,642	4%	96	91	43	75	**78**
ANSON HIGH SCHOOL	1960	199,625	36%	61	77	77	87	**70**

EXHIBIT 3-3 (CONTINUED)
ANSON COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
ANSON NEW TECH HIGH	1976	11,000	N/A[2]	N/A[2]	N/A[2]	73	81	**68**
HIGH SCHOOL TOTAL/AVERAGE		**220,957**	**20%**	**79**	**84**	**62**	**81**	**67**
DISTRICT TOTAL/AVERAGE		**711,986**	**38%**	**63**	**62**	**72**	**80**	**66**

*Construction year based on age of main building.
[1]Housed in the Gym of Wadesboro ES. Wadesboro ES building score used to calculate combined score.
[2] Housed in Building H of Anson High School. Anson HS building score used to calculate combined score.
Source: MGT of America Consulting, LLC, 2017.

ANSON CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-4
ANSON COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
ANSONVILLE ELEMENTARY	PK-06	186	321	**58%**
LILESVILLE ELEMENTARY	PK-06	302	335	**90%**
MORVEN ELEMENTARY	PK-06	223	331	**67%**
PEACHLAND-POLKTON ELEMENTARY	PK-06	463	442	**105%**
WADESBORO ELEMENTARY	05-06	123	190	**65%**
WADESBORO PRIMARY	PK-04	520	427	**122%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**1,817**	**2,045**	**89%**
Middle Schools				
ANSON MIDDLE	07-08	554	406	**136%**
MIDDLE SCHOOL TOTAL/AVERAGE		**554**	**406**	**136%**
High Schools				
ANSON ACADEMY	09-12	84	137	**62%**
ANSON CO. EARLY COLLEGE HIGH	09-12	188	129	**146%**
ANSON HIGH SCHOOL	09-12	618	920	**67%**
ANSON NEW TECH HIGH	09-12	132	156	**85%**
HIGH SCHOOL TOTAL/AVERAGE		**1,022**	**1,342**	**76%**
DISTRICT TOTAL/AVERAGE		**3,393**	**3,793**	**89%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

ANSON BUDGET ESTIMATES

EXHIBIT 3-5
ANSON COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
ANSONVILLE ELEMENTARY	$ 2,475,083	$717,675	$1,757,408
LILESVILLE ELEMENTARY	$6,674,606	$964,653	$5,709,953
MORVEN ELEMENTARY	$6,446,039	$950,068	$5,495,971
PEACHLAND-POLKTON ELEMENTARY	$7,788,442	$973,231	$6,815,211
WADESBORO ELEMENTARY	$15,395,928	$1,130,927	$14,265,001
WADESBORO PRIMARY	$5,408,109	$ -	$5,408,109
ELEMENTARY SCHOOL TOTAL	**$44,188,206**	**$4,736,554**	**$39,451,652**
Middle Schools			
ANSON MIDDLE	$31,340,207	$24,532,338	$6,807,869
MIDDLE SCHOOL TOTAL	$31,340,207	$24,532,338	$6,807,869
High Schools			
ANSON ACADEMY	$207,200	$186,819	$20,381
ANSON CO. EARLY COLLEGE HIGH	$1,186,566	$8,463	$1,178,103
ANSON HIGH SCHOOL	$22,845,705	$56,041,612	$(33,195,907)
ANSON NEW TECH HIGH	$286,200	$16,500	$269,700
HIGH SCHOOL TOTAL/AVERAGE	**$24,525,671**	**$56,253,394**	**$(31,727,723)**
DISTRICT TOTAL	**$100,054,084**	**$85,522,286**	**$14,531,798**

Source: MGT of America Consulting, LLC, 2017.

ANSON FUNDING CAPACITY

The Anson County annual district budget is approximately $40,000,000. The capital program revenue is distributed across seven major categories for a total of $1,208,045. The FY 2015-16 district information is shown in **Exhibit 3-6**.

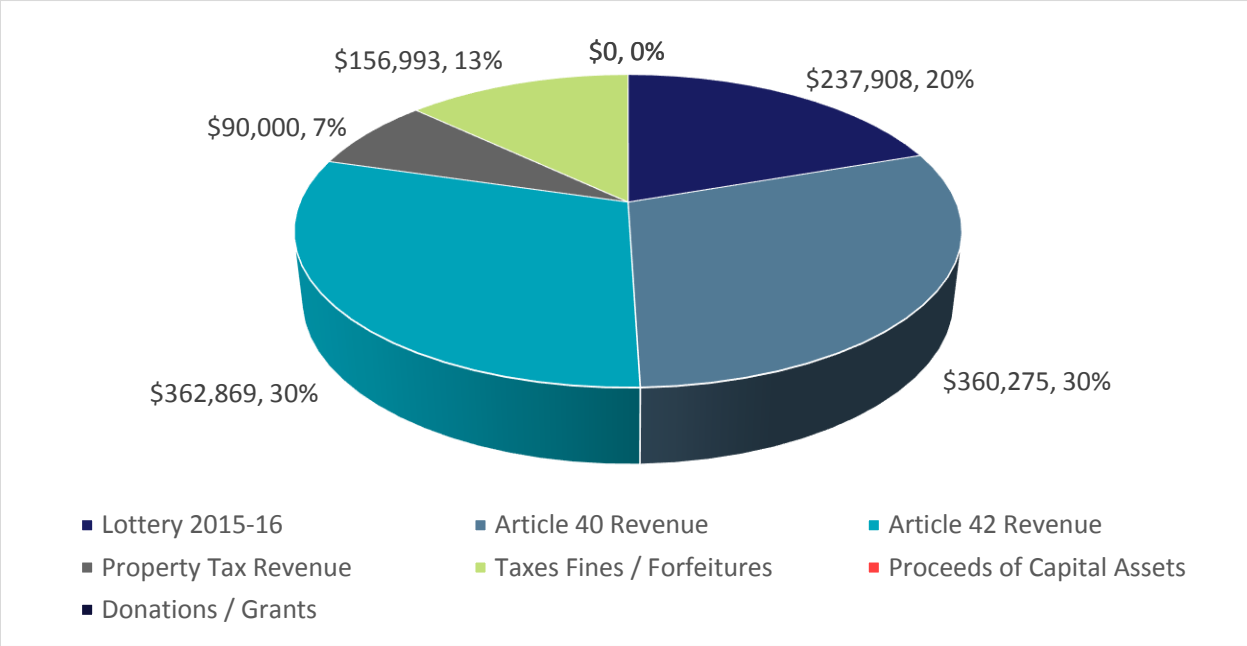
EXHIBIT 3-6
ANSON COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Anson
Dept. of Public Instruction Region	6
Count of Schools	11
Number of Students	2,653
Area in Square Miles	538
CIP 5-year Plan Need	$90,000,000
Lottery 2015-16	$237,908
Article 40 Revenue	$360,275
Article 42 Revenue	$362,869
Property Tax Revenue	$90,000
Taxes Fines / Forfeitures	$156,993
Proceeds of Capital Assets	$0
Donations / Grants	$0
Total Capital Budget	$1,208,045
Capital Revenue as Percent of Budget	3.02%
District Budget	$40,000,000
County Budget Allocation to District	$3,904,353
% County Allocation / Budget	9.8%

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Exhibit 3-7 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-7
ANSON COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Anson County has an assessed property valuation of $1,360,000,000. The current tax rate for the county is $0.8010 which generates approximately $10,230,180 in revenue. In 2015 the county has installment debt of $4,323,281 and a maximum unused debt amount of $13,000,000.

EXHIBIT 3-8
ANSON COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Debt Information	Anson
Maximum Property Tax Rate	$1.50
Assessed Valuation	$1,360,000,000
Maximum Allowable Debt Service Amount	$108,800,000
Current Property Tax Revenue (assessed value x current tax rate)	$10,230,180
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$20,400,000
Percentage of Property Tax Revenue	50.15%
GO Bond Debt	$0
Installment Debt	$4,323,281
Maximum Unused	$13,000,000

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

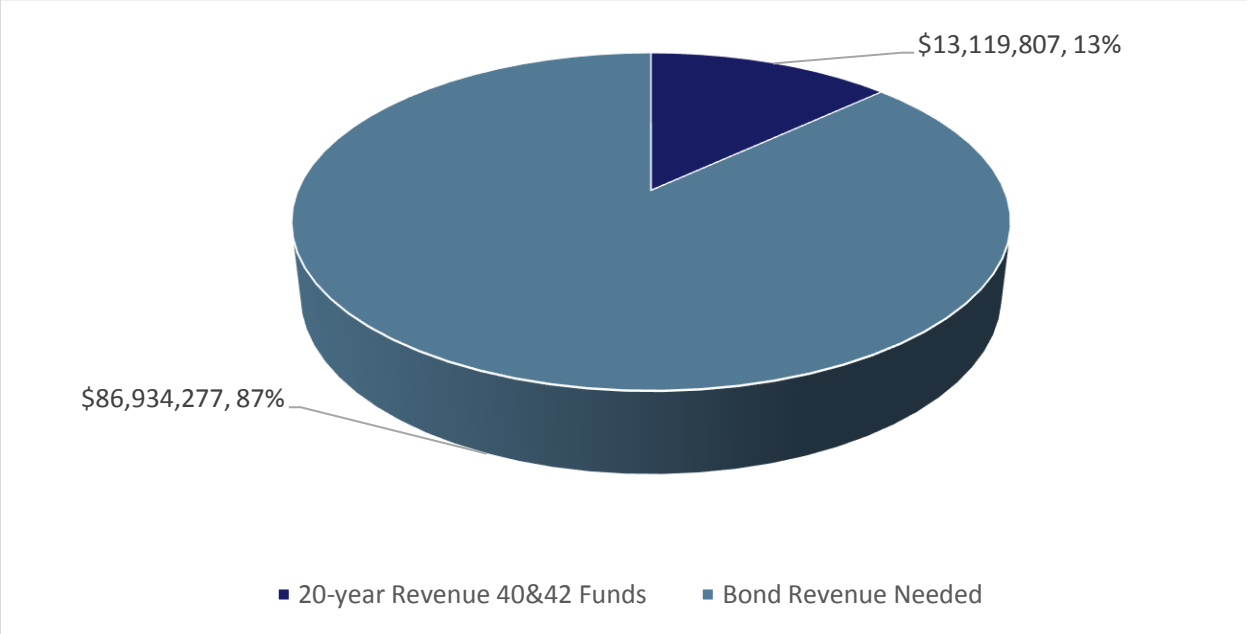
Based on the condition, site, suitability, and technology readiness assessments there is currently $100,054,084 of school facility need in Anson County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $13,119,806, then the total facility need amount is reduced to $86,934,277. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $5,723,794 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.4210, from $0.8010 to $1.2220. **Exhibit 3-9** illustrates the future facility need and the financing options to address that need. **Exhibit 3-10** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-9
ANSON COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$100,054,084
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$13,119,807
Bond Revenue Needed	$86,934,277
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**13.1%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$5,723,794**
Property Tax Rate	$0.8010
Property Rate Increase to cover debt	$0.4210
Projected Annual Tax Rate Increase	**$1.2220**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

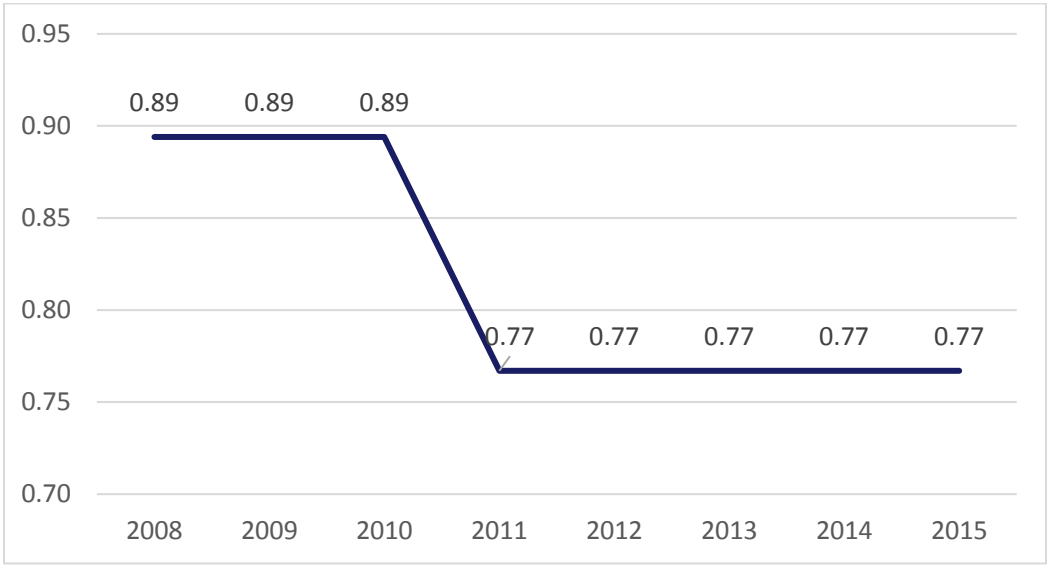
EXHIBIT 3-10
ANSON COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

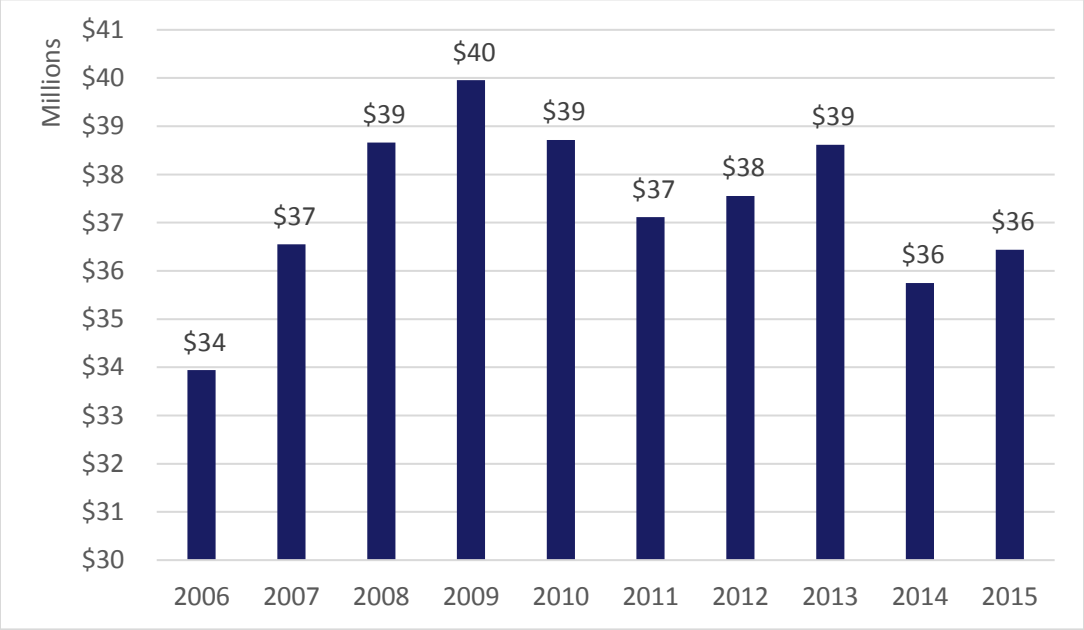
The County has a historical tax rate ranging from $0.894 and $0.767 as shown in **Exhibit 3-11** Anson County Tax Rate. **Exhibit 3-12** illustrates the ten-year historical county revenue.

EXHIBIT 3-11
ANSON COUNTY
TAX RATE*



*Data only available to MGT from 2008 – 2015.
Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-12
ANSON COUNTY
REVENUE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.2 BERTIE COUNTY

Bertie County Schools serve 2,398 students in eight schools. Year of construction ranges from West Bertie Elementary School in 1961 to Bertie High / STEM High in 2014. When the Bertie High / STEM High facility opened in 2014, the old high school was converted to district facilities, with the exception of four career & technical education classrooms.

EXHIBIT 3-13
BERTIE COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	54	77	63
MIDDLE SCHOOLS	96	96	96
HIGH SCHOOLS	54	91	73
OTHER EDUCATIONAL	66	66	66

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-14
BERTIE COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	66%	88%	74%
MIDDLE SCHOOLS	85%	85%	85%
HIGH SCHOOLS	43%	63%	56%
OTHER EDUCATIONAL	0%	0%	N/A*

*Table displays only K-12 enrollment.
Source: MGT of America Consulting, LLC, 2017.

BERTIE ASSESSMENT SCORES

EXHIBIT 3-15
BERTIE COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
AULANDER ELEMENTARY	1964	35,871	53%	45	63	66	53	**54**
COLERAIN ELEMENTARY	1986	31,767	23%	74	91	74	88	**77**
WEST BERTIE ELEMENTARY	1961	53,400	56%	45	39	72	82	**56**
WINDSOR ELEMENTARY	1991	46,795	34%	67	60	67	68	**66**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**167,833**	**42%**	**58**	**63**	**70**	**73**	**63**
Middle Schools								
BERTIE MIDDLE	2007	112,060	0%	100	100	88	100	**96**
MIDDLE SCHOOL TOTAL/AVERAGE		**112,060**	**0%**	**100**	**100**	**88**	**100**	**96**
High Schools								
BERTIE EARLY COLLEGE HIGH	1964	64,407	54%	48	33	68	65	**54**
BERTIE HIGH SCHOOL	2014	192,796	9%	91	95	89	95	**91**
HIGH SCHOOL TOTAL/AVERAGE		**257,203**	**31%**	**69**	**64**	**79**	**80**	**73**
Other Educational								
ASKEWVILLE PRESCHOOL	1964	19,686	42%	55	84	70	88	**66**
OTHER EDUCATIONAL TOTAL/AVERAGE		**19,686**	**42%**	**55**	**84**	**70**	**88**	**66**
DISTRICT TOTAL/AVERAGE		**556,782**	**34%**	**65**	**71**	**74**	**80**	**70**

*Construction year based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

BERTIE CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-16
BERTIE COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
AULANDER ELEMENTARY	PK-05	145	219	**66%**
COLERAIN ELEMENTARY	PK-05	202	284	**71%**
WEST BERTIE ELEMENTARY	PK-05	253	385	**66%**
WINDSOR ELEMENTARY	PK-05	350	396	**88%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**950**	**1,283**	**74%**
Middle Schools				
BERTIE MIDDLE	06-08	555	649	**85%**
MIDDLE SCHOOL TOTAL/AVERAGE		**555**	**649**	**85%**
High Schools				
BERTIE EARLY COLLEGE HIGH	09-12	169	397	**43%**
BERTIE HIGH SCHOOL	09-12	473	746	**63%**
HIGH SCHOOL TOTAL/AVERAGE		**642**	**1,143**	**56%**
Other Educational				
ASKEWVILLE PRESCHOOL	PK	**N/A[3]**	10	**N/A[3]**
OTHER EDUCATIONAL TOTAL/AVERAGE		**N/A[3]**	**10**	**N/A[3]**
DISTRICT TOTAL/AVERAGE		**2,147**	**3,085**	**70%**

*Does not include portable classrooms.
[3]Table only displays K-12 enrollment.
Source: MGT of America Consulting, LLC, 2017.

BERTIE BUDGET ESTIMATES

EXHIBIT 3-17
BERTIE COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
AULANDER ELEMENTARY	$8,023,594	$597,450	$7,426,144
COLERAIN ELEMENTARY	$2,458,028	$255,858	$2,202,170
WEST BERTIE ELEMENTARY	$11,354,088	$ -	$11,354,088
WINDSOR ELEMENTARY	$4,761,526	$1,087,491	$3,674,035
ELEMENTARY SCHOOL TOTAL	**$26,597,235**	**$1,940,799**	**$24,656,436**
Middle Schools			
BERTIE MIDDLE	$1,362,445	$ -	$1,362,445
MIDDLE SCHOOL TOTAL	**$1,362,445**	**$ -**	**$1,362,445**
High Schools			
BERTIE EARLY COLLEGE HIGH	$13,426,305	$945,060	$12,481,245
BERTIE HIGH SCHOOL	$8,508,919	$ -	$8,508,919
HIGH SCHOOL TOTAL/AVERAGE	**$21,935,224**	**$945,060**	**$20,990,164**
Other Educational			
SKEWVILLE PRESCHOOL	$4,007,266	$ -	$4,007,266
OTHER EDUCATIONAL TOTAL	**$4,007,266**	$ -	**$ 4,007,266**
DISTRICT TOTAL	**$53,902,170**	**$2,885,859**	**$51,016,311**

Source: MGT of America Consulting, LLC, 2017.

BERTIE FUNDING CAPACITY

Bertie County has an annual district budget of approximately $24,507,000. The capital program revenue is distributed across seven major categories for a total of $727,132. The FY2015-16 district information is shown in **Exhibit 3-18**.

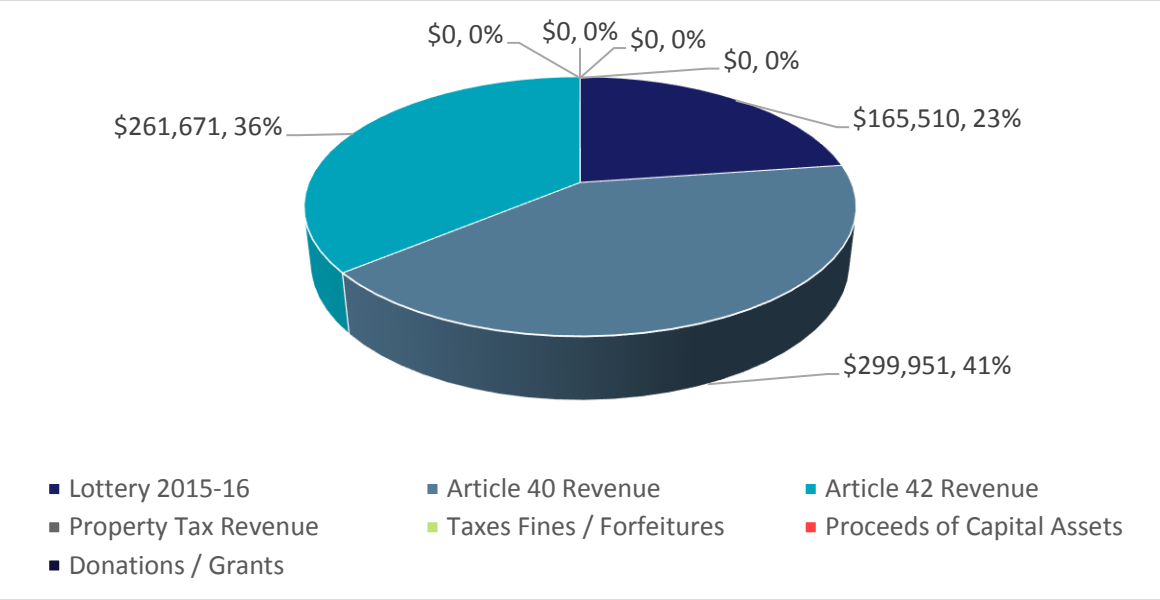
EXHIBIT 3-18
BERTIE COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Bertie
Dept. of Public Instruction Region	1
Count of Schools	8
Number of Students	2,398
Area in Square Miles	741
CIP 5-year Plan Need	$0
Lottery 2015-16	$165,510
Article 40 Revenue	$299,951
Article 42 Revenue	$261,671
Property Tax Revenue	$0
Taxes Fines / Forfeitures	$0
Proceeds of Capital Assets	$0
Donations / Grants	$0
Total Capital Budget	$727,132
Capital Revenue as Percent of Budget	2.97%
District Budget	$24,507,000
County Budget Allocation to District	$3,003,000
% County Allocation / Budget	12.25%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Exhibit 3-19 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-19
BERTIE COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

Bertie County has an assessed property valuation of $1,284,269,538. The current tax rate for the county is $0.8400 which generated approximately $10,787,864 in revenue. The county has current installment debt of $41,134,071 and has a maximum unused debt of amount $26,476,214.

EXHIBIT 3-20
BERTIE COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Bertie
Maximum Property Tax Rate	$1.50
Assessed Valuation	$1,284,269,538
Maximum Allowable Debt Service Amount	$102,741,563
Current Property Tax Revenue (assessed value x current tax rate)	$10,787,864
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$19,264,043
Percentage of Property Tax Revenue	56.00%
GO Bond Debt	$0.00
Installment Debt	$41,134,071
Maximum Unused	$26,476,214

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

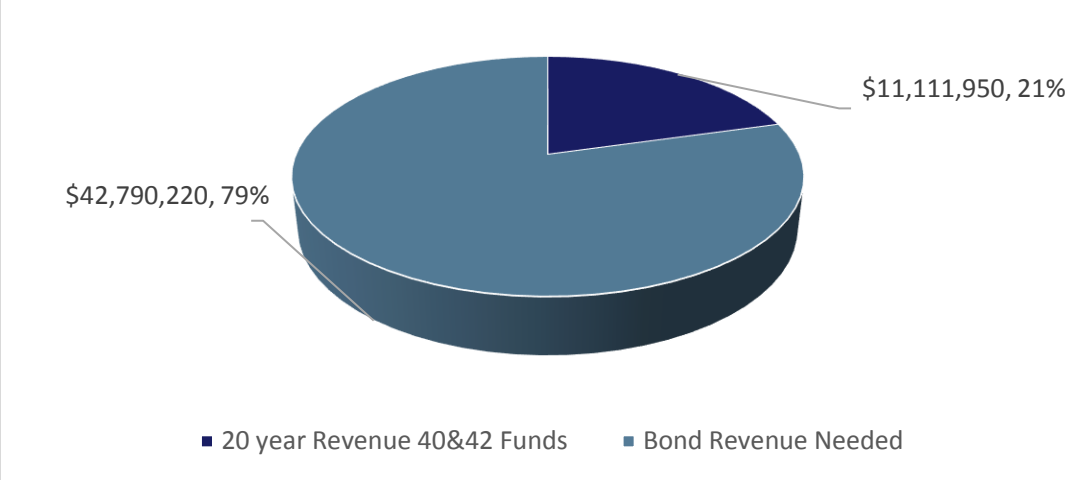
Based on the condition, site, suitability, and technology readiness assessments there is currently $53,902,170 of school facility need in Bertie County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $11,111,950, then the total facility need amount is reduced to $ $42,790,220. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $2,817,328 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.2195, from $0.8400 to $1.0595. **Exhibit 3-21** illustrates the future facility need and the financing options to address that need. **Exhibit 3-22** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-21
BERTIE COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$53,902,170
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$11,111,950
Bond Revenue Needed	$42,790,220
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**20.6%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$2,817,328**
Property Tax Rate	$0.8400
Property Rate Increase to cover debt	$0.2195
Projected Annual Tax Rate Increase	**$1.0595**

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

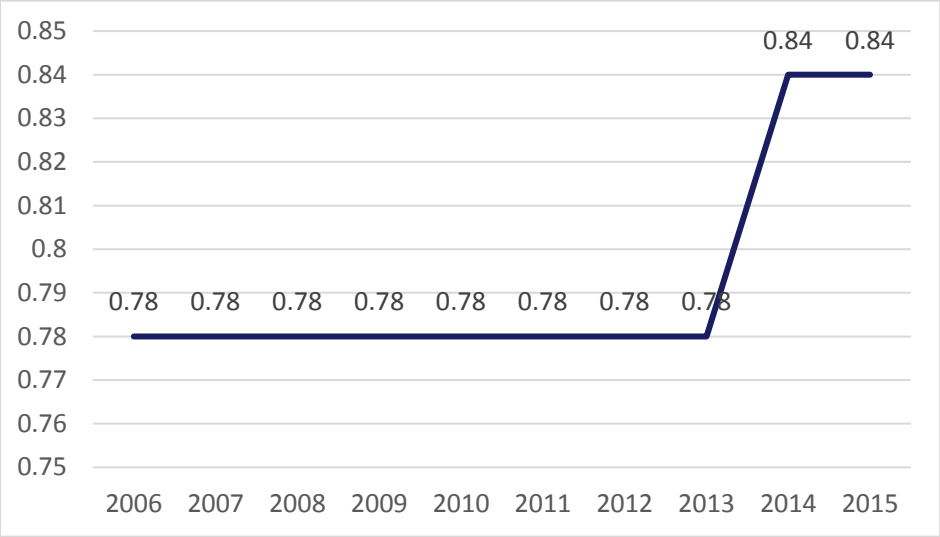
EXHIBIT 3-22
BERTIE COUNTY
BOND REVENUE COMPARISON TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

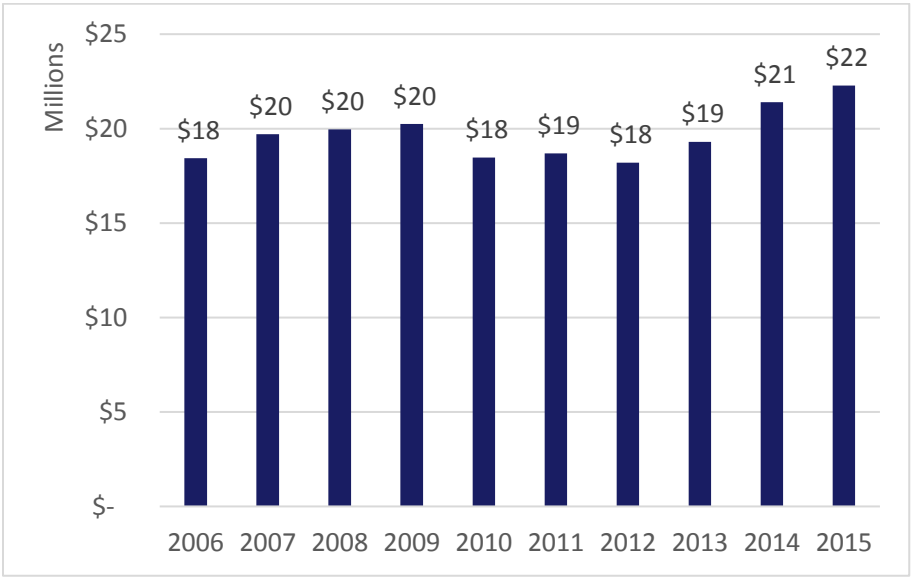
The county has had an eight-year historical tax rate between $0.78000 in 2008 to $0.8400 in 2015. as **Exhibit 3-23** illustrates the eight-year trend of historical tax rates. The county has had revenue of $19,960,608 in 2008 to $22,283,124 in 2015. **Exhibit 3-24** show eight-year historical revenue for Bertie County.

EXHIBIT 3-23
BERTIE COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-24
BERTIE COUNTY
REVENUE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.3 CLAY COUNTY

Clay County Schools serve 1,295 students in three schools. Year of construction ranges from Hayesville Elementary School in 1986 to Hayesville Middle School in 1990. All three schools (elementary, middle, high) are located on the same campus.

EXHIBIT 3-25
CLAY COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	77	77	77
MIDDLE SCHOOLS	83	83	83
HIGH SCHOOLS	87	87	87

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-26
CLAY COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	121%	121%	121%
MIDDLE SCHOOLS	124%	124%	124%
HIGH SCHOOLS	68%	68%	68%

Source: MGT of America Consulting, LLC, 2017.

CLAY ASSESSMENT SCORES

EXHIBIT 3-27
CLAY COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
HAYESVILLE ELEMENTARY	1986	66,484	21%	79	N/A[4]	65	95	**77**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**66,484**	**21%**	**79**	**N/A[4]**	**65**	**95**	**77**
Middle Schools								
HAYESVILLE MIDDLE	1990	46,742	4%	96	N/A[4]	62	83	**83**
MIDDLE SCHOOL TOTAL/AVERAGE		**46,742**	**4%**	**96**	**N/A[4]**	**62**	**83**	**83**
High Schools								
HAYESVILLE HIGH	1989	147,030	8%	94	88	74	95	**87**
HIGH SCHOOL TOTAL/AVERAGE		**147,030**	**8%**	**94**	**88**	**74**	**95**	**87**
DISTRICT TOTAL/AVERAGE		**260,256**	**11%**	**89**	**88**	**67**	**91**	**83**

*Construction year based on age of main building.
[4]All three schools on the same site. Hayesville High site score used to calculate combined score.
Source: MGT of America Consulting, LLC, 2017.

CLAY CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-28
CLAY COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
HAYESVILLE ELEMENTARY	PK-04	504	415	**121%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**504**	**415**	**121%**
Middle Schools				
HAYESVILLE MIDDLE	05-08	439	354	**124%**
MIDDLE SCHOOL TOTAL/AVERAGE		**439**	**354**	**124%**
High Schools				
HAYESVILLE HIGH	09-12	359	526	**68%**
HIGH SCHOOL TOTAL/AVERAGE		**359**	**526**	**68%**
DISTRICT TOTAL/AVERAGE		**1,302**	**1,295**	**101%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

CLAY BUDGET ESTIMATES

EXHIBIT 3-29
CLAY COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
HAYESVILLE ELEMENTARY	$6,792,304	$ -	$6,792,304
ELEMENTARY SCHOOL TOTAL	**$6,792,304**	**$ -**	**$6,792,304**
Middle Schools			
HAYESVILLE MIDDLE	$3,340,530	$ -	$3,340,530
MIDDLE SCHOOL TOTAL	**$3,340,530**	**$ -**	**$3,340,530**
High Schools			
HAYESVILLE HIGH	$6,362,045	-	$6,362,045
HIGH SCHOOL TOTAL/AVERAGE	**$6,362,045**	**$-**	**$6,362,045**
DISTRICT TOTAL	**$16,494,879**	**$ -**	**$16,494,879**

Source: MGT of America Consulting, LLC, 2017.

CLAY FUNDING CAPACITY

Clay County has an annual district budget of approximately $14,657,214. The capital program revenue is distributed across seven major categories for a total of $816,874. The FY 2015-16 district information is shown in **Exhibit 3-30**.

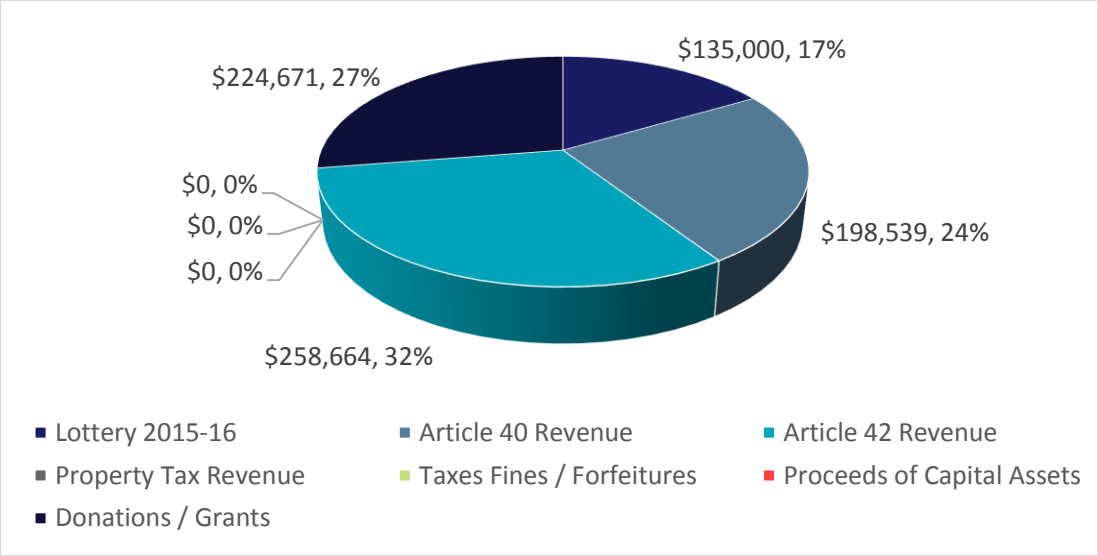
EXHIBIT 3-30
CLAY COUNTY
DISTRICT INFORMATION FY 2015-16

District Budget FY2015-2016	Clay
Dept. of Public Instruction Region	8
Count of Schools	3
Number of Students	1,259
Area in Square Miles	221
CIP 5-year Plan Need	$89,671
Lottery 2015-16	$135,000
Article 40 Revenue	$198,539
Article 42 Revenue	$258,664
Property Tax Revenue	$0
Taxes Fines / Forfeitures	$0
Proceeds of Capital Assets	$0
Donations / Grants	$224,671
Total Capital Budget	$816,874
Capital Revenue as Percent of Budget	5.57%
District Budget	$14,657,214
County Budget Allocation to District	$1,300,000
% County Allocation / Budget	8.87%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Exhibit 3-31 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-31
CLAY COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

Clay County has an assessed property valuation of $1,938,159,235. The current tax rate for the county is $0.3900 which generates approximately $7,558,821 in revenue. The county has general obligation bond debt of $290,000. The FY 2015-16 district information is shown in **Exhibit 3-32**.

EXHIBIT 3-32
CLAY COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Clay
Maximum Property Tax Rate	$1.50
Assessed Valuation	$1,938,159,235
Maximum Allowable Debt Service Amount	$155,052,739
Current Property Tax Revenue (assessed value x current tax rate)	$7,558,821
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$29,072,389
Percentage of Property Tax Revenue	26.00%
GO Bond Debt	$290,000
Installment Debt	$0
Maximum Unused	$0

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

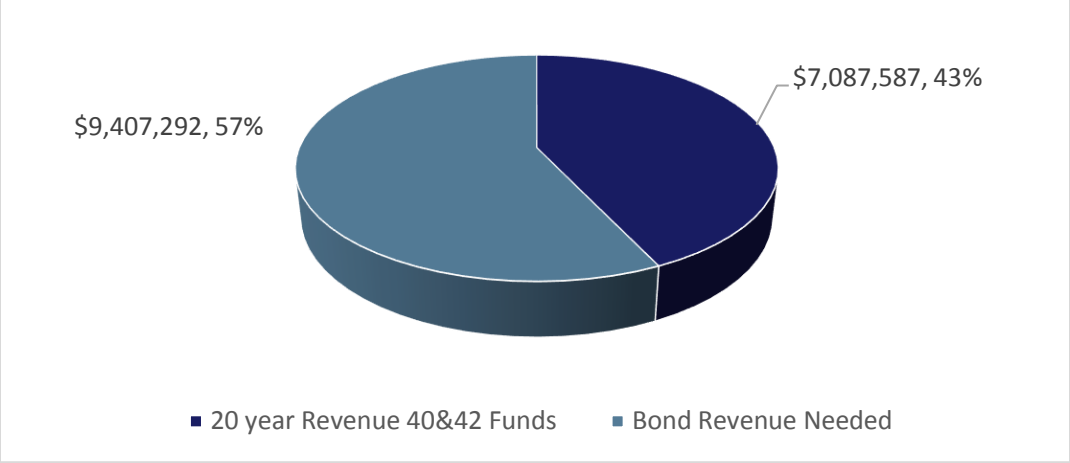
Based on the condition, site, suitability, and technology readiness assessments there is currently $16,494,879 of school facility need in Clay County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $7,087,587, then the total facility need amount is reduced to $9,407,292. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $619,381 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.0320, from $0.3900 to $0,4220. **Exhibit 3-33** illustrates the future facility need and the financing options to address that need. **Exhibit 3-34** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-33
CLAY COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$16,494,879
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$7,087,587
Bond Revenue Needed	$9,407,292
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**43.0%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$619,381**
Property Tax Rate	$0.3900
Property Rate Increase to cover debt	$0.0320
Projected Annual Tax Rate Increase	**$0.4220**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

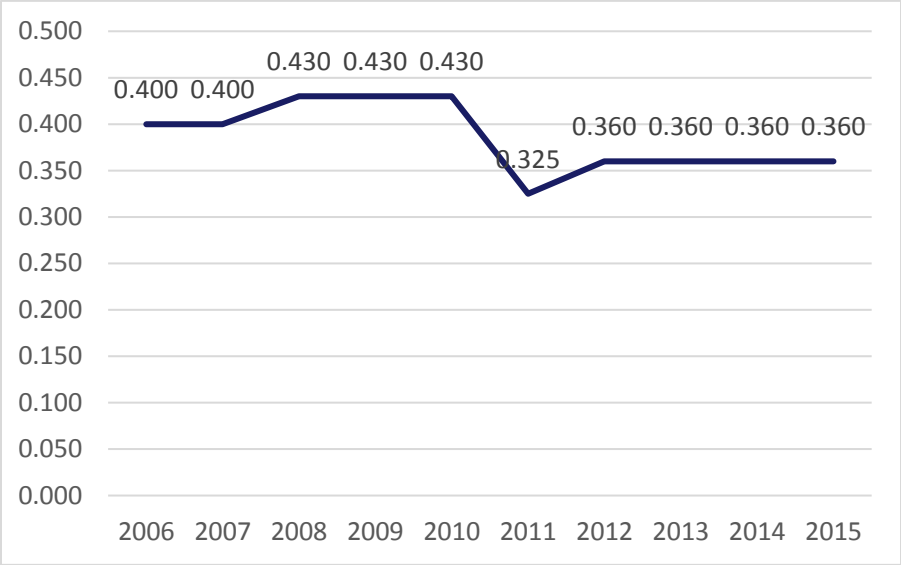
EXHIBIT 3-34
CLAY COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

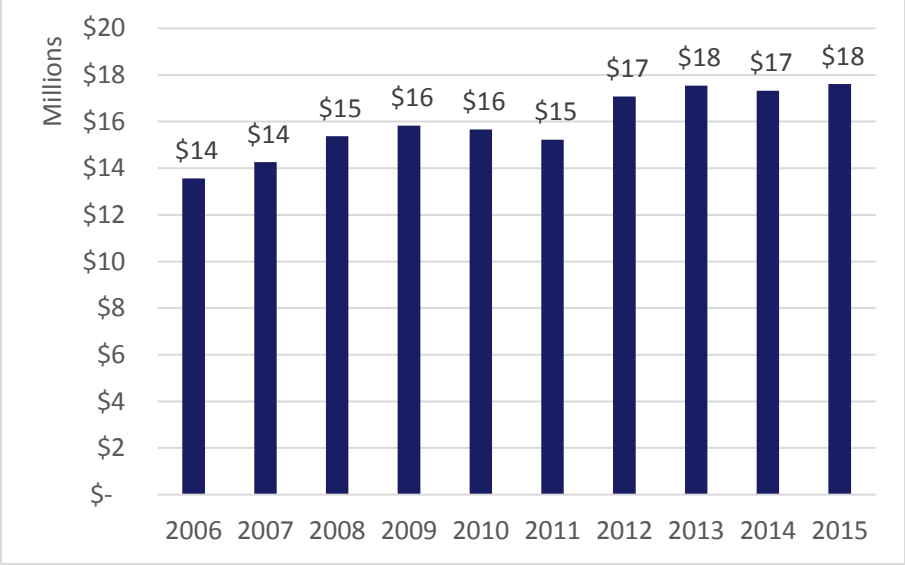
The county has had a ten-year historical tax rate between $0.4000 in 2006 to $0.3600 in 2015. as **Exhibit 3-35** illustrates the eight-year trend of historical tax rates. The county has had revenue of $13,557,052 in 2006 to $17,607,408 in 2015. **Exhibit 3-36** show ten-year historical revenue for Clay County.

EXHIBIT 3-35
CLAY COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-36
CLAY COUNTY
REVENUE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.4 DAVIE COUNTY

Davie County Schools serve 6,257 students in 12 schools. Year of construction ranges from William R Davie Elementary School in 1940 to Davie High School set to open in 2017. The new Davie High School will replace the existing school that was constructed in 1956. Since the new school was under construction at the time of this assessment and set to open this year it was included in the analysis rather than the existing school.

EXHIBIT 3-37
DAVIE COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	66	94	81
MIDDLE SCHOOLS	66	96	77
HIGH SCHOOLS	88	100	93

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-38
DAVIE COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	77%	103%	93%
MIDDLE SCHOOLS	87%	101%	96%
HIGH SCHOOLS	29%	119%	100%

Source: MGT of America Consulting, LLC, 2017.

DAVIE ASSESSMENT SCORES

EXHIBIT 3-39
DAVIE COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
COOLEEMEE ELEMENTARY	1970	84,666	4%	96	100	89	100	**94**
CORNATZER ELEMENTARY	2000	73,434	4%	95	100	84	93	**92**
MOCKSVILLE ELEMENTARY	1970	79,448	28%	70	83	83	97	**78**
PINEBROOK ELEMENTARY	1970	78,630	50%	45	77	87	95	**66**
SHADY GROVE ELEMENTARY	1950	77,984	25%	73	87	76	89	**77**
WILLIAM R DAVIE ELEMENTARY	1940	64,064	17%	84	79	79	76	**81**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**458,226**	**21%**	**77**	**88**	**83**	**92**	**81**
Middle Schools								
NORTH DAVIE MIDDLE	1980	83,653	46%	46	88	81	95	**66**
SOUTH DAVIE MIDDLE	1980	80,770	39%	66	34	79	97	**70**
WILLIAM ELLIS MIDDLE	2007	93,047	1%	100	96	91	93	**96**
MIDDLE SCHOOL TOTAL/AVERAGE		**257,470**	**29%**	**71**	**73**	**84**	**95**	**77**

EXHIBIT 3-39 (CONTINUED)
DAVIE COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
High Schools								
CENTRAL DAVIE ACADEMY	1949	44,558	10%	89	94	79	100	**88**
DAVIE COUNTY EARLY COLLEGE HIGH	2000	10,659	6%	93	100	83	100	**92**
DAVIE COUNTY HIGH	2017	312,388	0%	100	100	100	100	**100**
HIGH SCHOOL TOTAL/AVERAGE		**367,605**	**5%**	**94**	**98**	**87**	**100**	**93**
DISTRICT TOTAL/AVERAGE		**1,083,301**	**19%**	**80**	**86**	**84**	**94**	**83**

*Construction age based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

DAVIE CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-40
DAVIE COUNTY SHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
COOLEEMEE ELEMENTARY	KG-05	479	516	**93%**
CORNATZER ELEMENTARY	KG-05	359	468	**77%**
MOCKSVILLE ELEMENTARY	KG-05	579	586	**99%**
PINEBROOK ELEMENTARY	KG-05	501	486	**103%**
SHADY GROVE ELEMENTARY	KG-05	542	593	**91%**
WILLIAM R DAVIE ELEMENTARY	KG-05	387	405	**96%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**2,847**	**3,054**	**93%**
Middle Schools				
NORTH DAVIE MIDDLE	06-08	454	451	**101%**
SOUTH DAVIE MIDDLE	06-08	560	556	**101%**
WILLIAM ELLIS MIDDLE	06-08	496	570	**87%**
MIDDLE SCHOOL TOTAL/AVERAGE		**1,510**	**1,576**	**96%**
High Schools				
CENTRAL DAVIE ACADEMY	06-12	21	74	**29%**
DAVIE COUNTY EARLY COLLEGE HIGH	09-12	150	126	**119%**
DAVIE COUNTY HIGH	09-12	1,733	1,712	**101%**
HIGH SCHOOL TOTAL/AVERAGE		**1,904**	**1,911**	**100%**
DISTRICT TOTAL/AVERAGE		**6,261**	**6,541**	**96%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

DAVIE BUDGET ESTIMATES

EXHIBIT 3-41
DAVIE COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
COOLEEMEE ELEMENTARY	$1,592,395	$461,956	$1,130,439
CORNATZER ELEMENTARY	$1,738,447	$114,000	$ 1,624,447
MOCKSVILLE ELEMENTARY	$6,235,702	$303,440	$5,932,262
PINEBROOK ELEMENTARY	$ 9,802,786	$491,962	$9,310,824
SHADY GROVE ELEMENTARY	$5,851,049	$577,980	$5,273,069
WILLIAM R DAVIE ELEMENTARY	$3,578,841	$314,365	$3,264,476
ELEMENTARY SCHOOL TOTAL	**$28,799,220**	**$2,263,703**	**$26,535,517**
Middle Schools			
NORTH DAVIE MIDDLE	$ 10,612,168	$75,226	$10,536,942
SOUTH DAVIE MIDDLE	$ 9,731,765	$227,191	$9,504,574
WILLIAM ELLIS MIDDLE	$1,057,500	$ -	$1,057,500
MIDDLE SCHOOL TOTAL	**$21,401,433**	**$302,417**	**$21,099,016**
High Schools			
CENTRAL DAVIE ACADEMY	$1,952,849	$ -	$1,952,849
DAVIE COUNTY EARLY COLLEGE HIGH	$ 696,120	$ -	$696,120
DAVIE COUNTY HIGH	$1,362,211	$ -	$1,362,211
HIGH SCHOOL TOTAL/AVERAGE	**$4,011,179**	**$ -**	**$4,011,179**
DISTRICT TOTAL	**$54,211,832**	**$2,566,120**	**$51,645,712**

Source: MGT of America Consulting, LLC, 2017.

DAVIE FUNDING CAPACITY

Davie County has an annual district budget of approximately $54,500,000. The capital program revenue is distributed across seven major categories for a total of $3,438,637. The FY 2015-16 district information is shown in **Exhibit 3-42.**

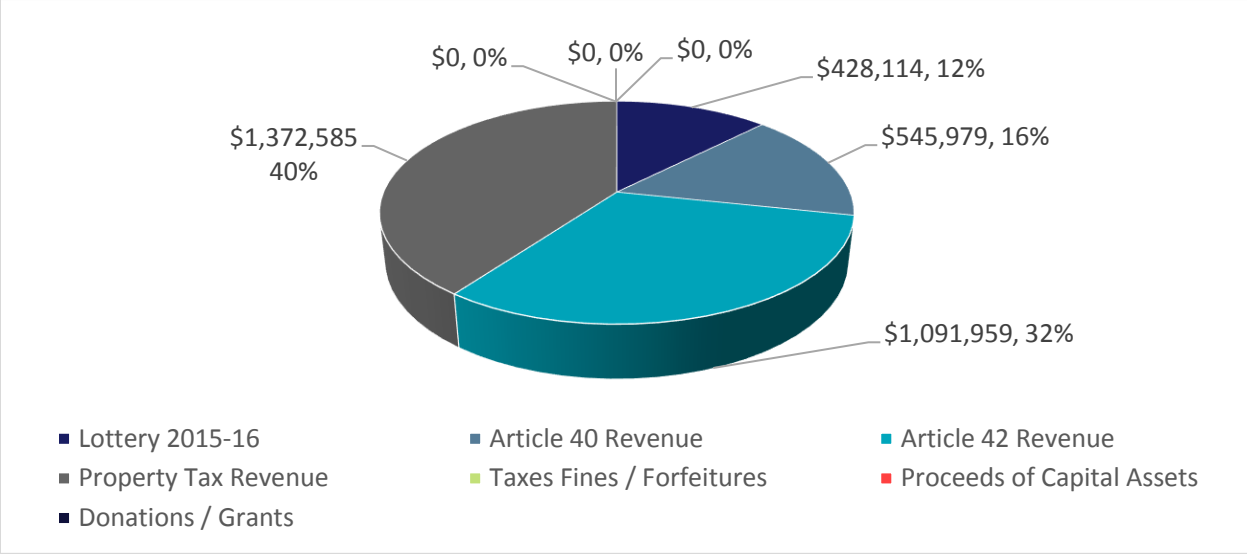
EXHIBIT 3-42
DAVIE COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Davie
Dept. of Public Instruction Region	5
Count of Schools	12
Number of Students	6,257
Area in Square Miles	261
CIP 5-year Plan Need	$0
Lottery 2015-16	$428,114
Article 40 Revenue	$545,979
Article 42 Revenue	$1,091,959
Property Tax Revenue	$1,372,585
Taxes Fines / Forfeitures	$0
Proceeds of Capital Assets	$0
Donations / Grants	$0
Total Capital Budget	$3,438,637
Capital Revenue as Percent of Budget	6.31%
District Budget	$54,500,000
County Budget Allocation to District	$10,439,765
% County Allocation / Budget	19.16%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Exhibit 3-43 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-43
DAVIE COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Davie County has an assessed property valuation of $3,538,521,479. The current tax rate for the county is $0.7280 which generates approximately $25,760,436 in revenue. The county has general obligation bond debt of $56,524,000 and a maximum unused debt amount of $5,000,000.

EXHIBIT 3-44
DAVIE COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Davie
Maximum Property Tax Rate	$1.50
Assessed Valuation	$3,538,521,479
Maximum Allowable Debt Service Amount	$283,081,718
Current Property Tax Revenue (assessed value x current tax rate)	$25,760,436
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$53,077,822
Percentage of Property Tax Revenue	48.53%
GO Bond Debt	$56,524,000
Installment Debt	$0
Maximum Unused	$5,000,000

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

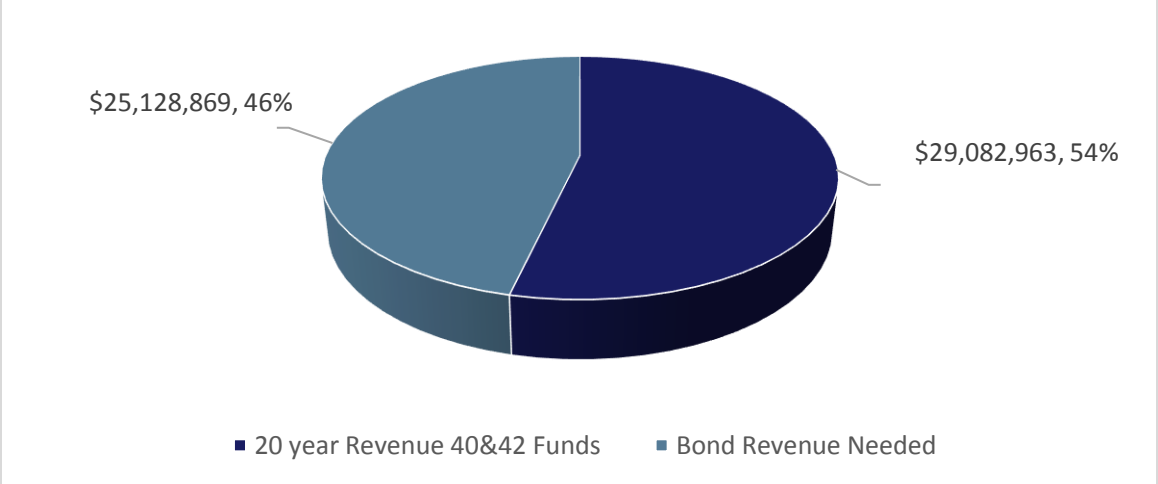
Based on the condition, site, suitability, and technology readiness assessments there is currently $54,211,832 of school facility need in Davie County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $29,082,962, then the total facility need amount is reduced to $25,128,868. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $1,654,496 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.0468, from $0.7280 to $0.7748. **Exhibit 3-45** illustrates the future facility need and the financing options to address that need. **Exhibit 3-46** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-45
DAVIE COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$54,211,832
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$29,082,963
Bond Revenue Needed	$25,128,869
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**53.6%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$1,654,497**
Property Tax Rate	$0.7280
Property Rate Increase to cover debt	$0.0468
Projected Annual Tax Rate Increase	**$0.7748**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

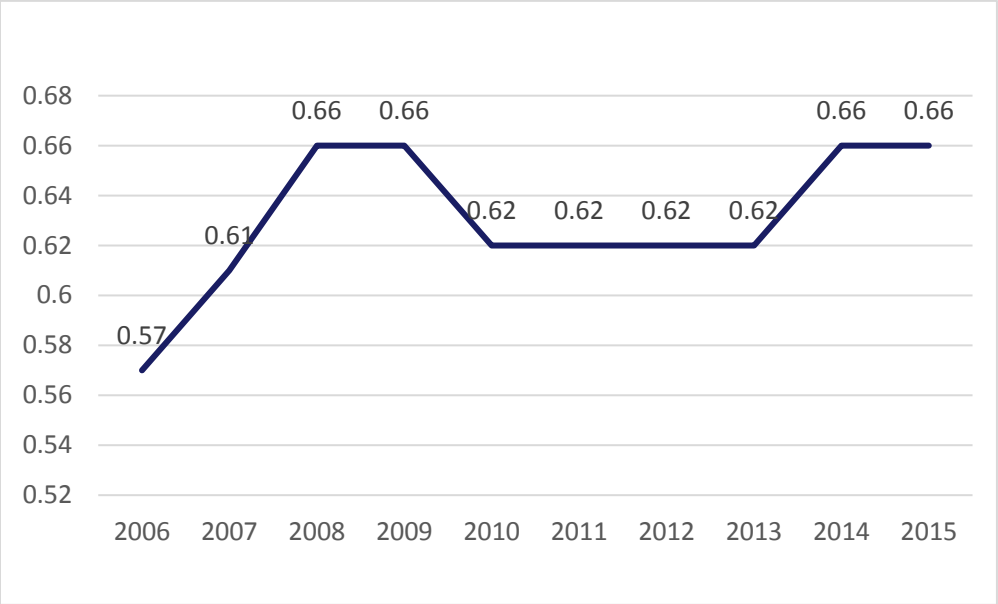
EXHIBIT 3-46
DAVIE COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

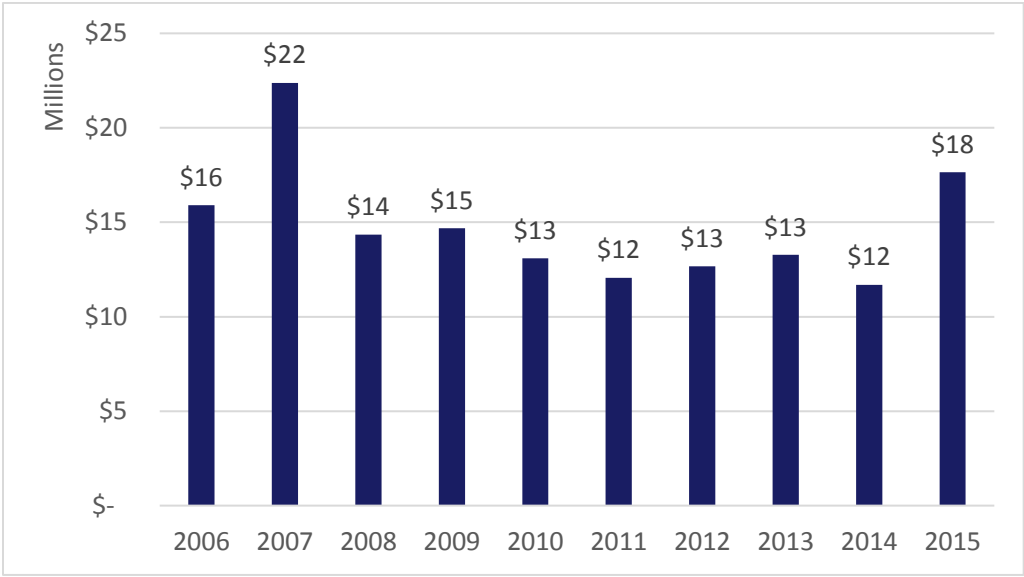
The county has had an eight-year historical tax rate of $0.66. as **Exhibit 3-47** illustrates the eight-year trend of historical tax rates. The county has had revenue of $14,678,197 in 2008 to $17,648,445 in 2015. **Exhibit 3-48** show eight-year historical revenue for Davie County.

EXHIBIT 3-47
DAVIE COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-48
DAVIE COUNTY
REVENUE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.5 GREENE COUNTY

Greene County Schools serve 2,977 students in six schools. Year of construction ranges from Snow Hill Primary School in 1952 to Greene County Intermediate School in 2012.

EXHIBIT 3-49
GREENE COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	71	95	82
MIDDLE SCHOOLS	93	93	93
HIGH SCHOOLS	78	82	80

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-50
GREENE COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	96%	144%	114%
MIDDLE SCHOOLS	108%	108%	108%
HIGH SCHOOLS	118%	118%	103%

Source: MGT of America Consulting, LLC, 2017.

GREENE ASSESSMENT SCORES

EXHIBIT 3-51
GREENE COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
GREENE COUNTY INTERMEDIATE	2012	81,293	0%	100	100	86	97	**95**
SNOW HILL PRIMARY	1952	90,283	21%	79	80	79	77	**79**
WEST GREENE ELEMENTARY	1967	103,697	34%	64	77	77	81	**71**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**275,273**	**18%**	**81**	**86**	**81**	**85**	**82**
Middle Schools								
GREENE COUNTY MIDDLE	1990	128,452	2%	100	86	83	97	**93**
MIDDLE SCHOOL TOTAL/AVERAGE		**128,452**	**2%**	**100**	**86**	**83**	**97**	**93**
High Schools								
GREENE CENTRAL HIGH	1961	102,577	21%	77	87	78	80	**78**
GREENE COUNTY ALT ED CENTER	1996	8,554	0%	100	100	47	83	**82**
HIGH SCHOOL TOTAL/AVERAGE		**111,131**	**11%**	**88**	**93**	**62**	**82**	**80**
DISTRICT TOTAL/AVERAGE		**514,856**	**13%**	**87**	**88**	**75**	**86**	**83**

*Construction year based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

GREENE CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-52
GREENE COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
GREENE COUNTY INTERMEDIATE	04-05	467	488	**96%**
SNOW HILL PRIMARY	PK-01	464	422	**110%**
WEST GREENE ELEMENTARY	02-03	501	349	**144%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**1,432**	**1,259**	**114%**
Middle Schools				
GREENE COUNTY MIDDLE	06-08	679	627	**108%**
MIDDLE SCHOOL TOTAL/AVERAGE		**679**	**627**	**108%**
High Schools				
GREENE CENTRAL HIGH	09-12	877	746	**118%**
GREENE COUNTY ALT ED CENTER	06-12	N/A[5]	104	**N/A[5]**
HIGH SCHOOL TOTAL/AVERAGE		**877**	**849**	**103%**
DISTRICT TOTAL/AVERAGE		**2,988**	**2,735**	**109%**

*Does not include portable classrooms.
[5] ADM included with Greene Central High.
Source: MGT of America Consulting, LLC, 2017.

GREENE BUDGET ESTIMATES

EXHIBIT 3-53
GREENE COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
GREENE COUNTY INTERMEDIATE	$4,813,136	$ -	$4,813,136
SNOW HILL PRIMARY	$10,514,994	$1,680,011	$ 8,834,983
WEST GREENE ELEMENTARY	$ 5,695,931	$1,505,655	$4,190,276
ELEMENTARY SCHOOL TOTAL	**$21,024,061**	**$3,185,666**	**$ 17,838,395**
Middle Schools			
GREENE COUNTY MIDDLE	$3,875,107	$2,003,550	$ 1,871,557
MIDDLE SCHOOL TOTAL	**$ 3,875,107**	**$2,003,550**	**$1,871,557**
High Schools			
GREENE CENTRAL HIGH	$9,517,128	$3,909,764	$5,607,364
GREENE COUNTY ALT ED CENTER	$433,600	$ -	$433,600
HIGH SCHOOL TOTAL/AVERAGE	**$9,950,728**	**$3,909,764**	**$6,040,964**
DISTRICT TOTAL	**$34,849,896**	**$9,098,980**	**$25,750,916**

Source: MGT of America Consulting, LLC, 2017.

GREENE FUNDING CAPACITY

Greene County has an annual district budget of approximately $19,038,027. The capital program revenue is distributed across seven major categories for a total of $668,598. The FY 2015-16 district information is shown in **Exhibit 3-54.**

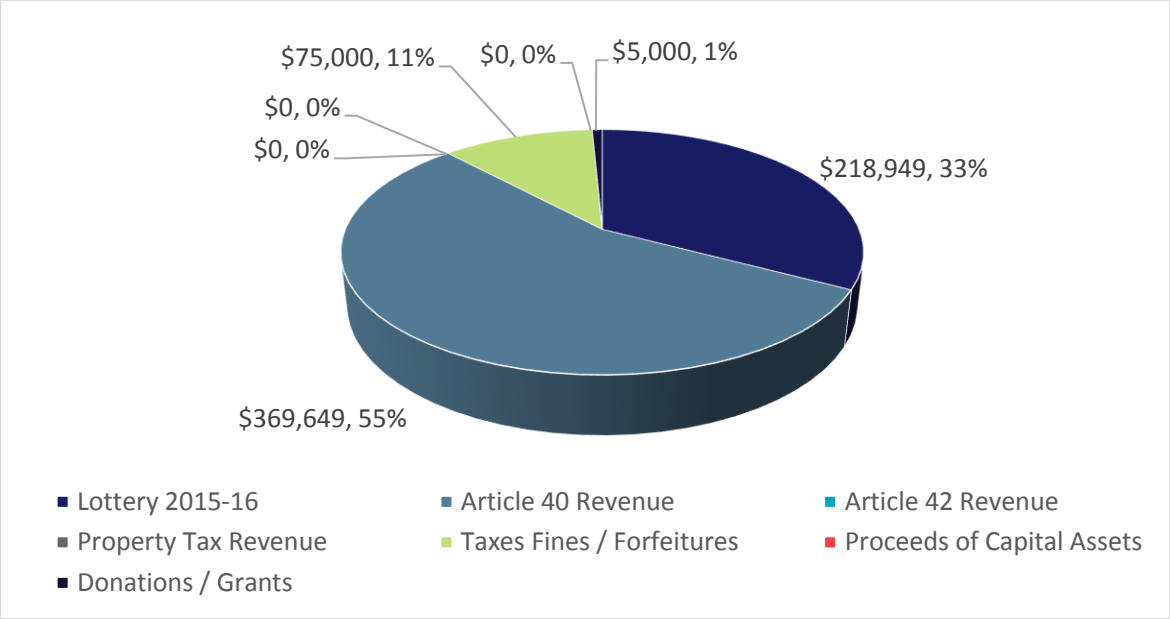
EXHIBIT 3-54
GREENE COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Greene
Dept. of Public Instruction Region	2
Count of Schools	6
Number of Students	2977
Area in Square Miles	266
CIP 5-year Plan Need	$400,000
Lottery 2015-16	$218,949
Article 40 Revenue	$369,649
Article 42 Revenue	$0
Property Tax Revenue	$0
Taxes Fines / Forfeitures	$75,000
Proceeds of Capital Assets	$0
Donations / Grants	$5,000
Total Capital Budget	$668,598
Capital Revenue as Percent of Budget	3.51%
District Budget	$19,038,027
County Budget Allocation to District	$2,317,000
% County Allocation / Budget	12.17%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

Exhibit 3-55 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-55
GREENE COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Greene County has an assessed property valuation of $1,084,275,036. The current tax rate for the county is $0.7900 which generates approximately $8,565,773 in revenue. The county has installment debt of $761,778 but does not have any maximum unused debt.

EXHIBIT 3-56
GREENE COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Greene
Maximum Property Tax Rate	$1.50
Assessed Valuation	$1,084,275,036
Maximum Allowable Debt Service Amount	$86,742,003
Current Property Tax Revenue (assessed value x current tax rate)	$8,565,773
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$16,264,126
Percentage of Property Tax Revenue	52.67%
GO Bond Debt	$0
Installment Debt	$761,778
Maximum Unused	$0

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

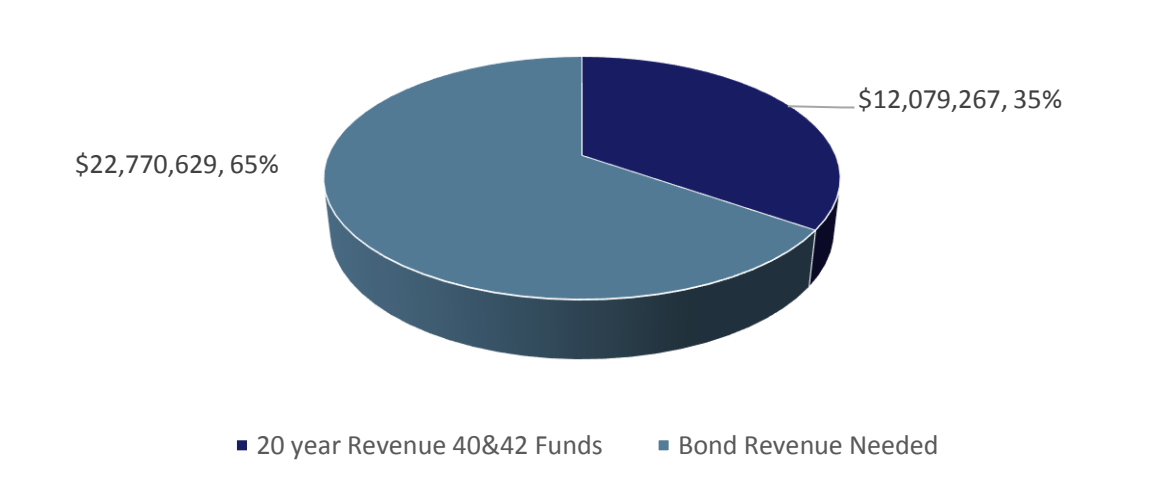
Based on the condition, site, suitability, and technology readiness assessments there is currently $34,489,896 of school facility need in Greene County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $12,079,267, then the total facility need amount is reduced to $34,849,896. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $1,499,229 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.1390, from $0.7900 to $0.9290. **Exhibit 3-57** illustrates the future facility need and the financing options to address that need. **Exhibit 3-58** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-57
GREENE COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$34,849,896
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$12,079,267
Bond Revenue Needed	$22,770,629
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**34.7%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$1,499,229**
Property Tax Rate	$0.7900
Property Rate Increase to cover debt	$0.1390
Projected Annual Tax Rate Increase	**$0.9290**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

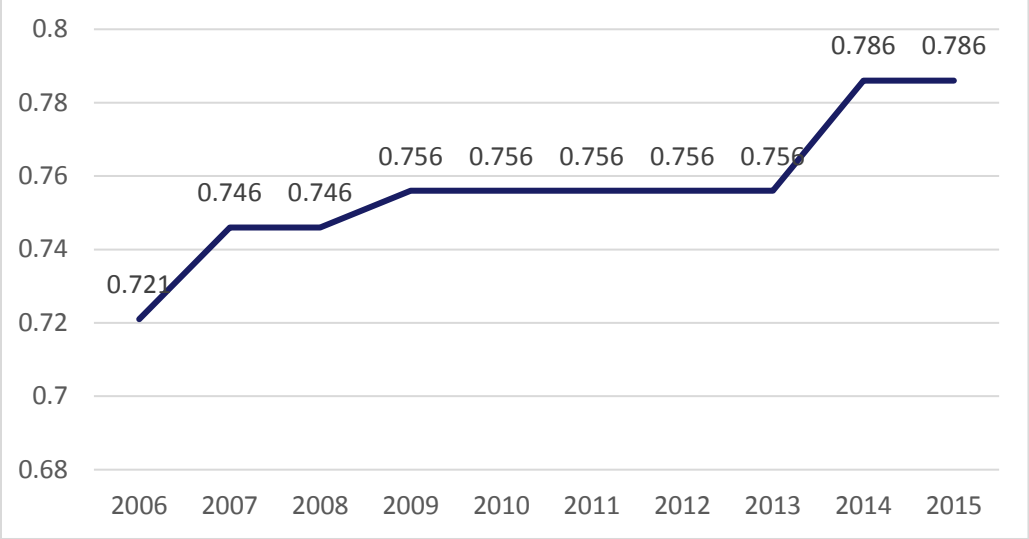
EXHIBIT 3-58
GREENE COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

The county has had a nine-year historical tax rate between $0.7460 in 2008 to $0.7860. **Exhibit 3-59** illustrates the nine-year trend of historical tax rates. The county has had revenue of $17,639,958 2007 to $19,038,027 in 2015. **Exhibit 3-60** show nine-year historical revenue for Greene County.

EXHIBIT 3-59
GREENE COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-60
GREENE COUNTY
REVENUE*

*Data only available to MGT for 2007 – 2015.
Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.6 HARNETT COUNTY

Harnett County Schools serve 19,931 students in 28 schools. Year of construction ranges from Star Academy in 1914 and Benhaven Elementary in 1924 to Highland Middle in 2014. Harnett County served as the pilot district for this project. That report can be found in ***Appendix C***.

EXHIBIT 3-61
HARNETT COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	49	98	80
MIDDLE SCHOOLS	78	100	90
HIGH SCHOOLS	66	90	77
OTHER EDUCATIONAL	71	71	71

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-62
HARNETT COUNTY SCHOOLS
UTILIZATION SCORE RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	69%	181%	113%
MIDDLE SCHOOLS	69%	141%	98%
HIGH SCHOOLS	103%	158%	126%

Source: MGT of America Consulting, LLC, 2017.

HARNETT ASSESSMENT SCORES

EXHIBIT 3-63
HARNETT COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
ANDERSON CREEK PRIMARY	1996	90,642	4%	95	100	84	95	**92**
ANGIER ELEMENTARY	2009	89,430	0%	100	100	94	95	**98**
BENHAVEN ELEMENTARY	1924	81,395	33%	70	51	59	72	**65**
BOONE TRAIL ELEMENTARY	2010	125,992	1%	100	96	87	100	**96**
BUIES CREEK ELEMENTARY	1948	39,884	39%	56	100	65	95	**67**
COATS ELEMENTARY	2002	96,425	4%	95	100	90	100	**94**
ERWIN ELEMENTARY	1926	74,147	57%	40	60	53	74	**49**
GENTRY PRIMARY	1951	40,231	48%	52	55	59	63	**55**
HARNETT PRIMARY	1998	94,667	3%	97	100	89	63	**92**
HIGHLAND ELEMENTARY	2002	96,212	5%	94	97	66	83	**85**
JOHNSONVILLE ELEMENTARY	1955	74,194	21%	81	68	63	88	**75**
LAFAYETTE ELEMENTARY	1992	74,152	20%	80	78	61	72	**73**
LILLINGTON-SHAWTOWN ELEMENTARY	2003	94,045	3%	97	100	87	100	**95**

EXHIBIT 3-63 (CONTINUED)
HARNETT COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
NORTH HARNETT PRIMARY	1956	66,916	11%	87	97	75	95	**85**
OVERHILLS ELEMENTARY	2008	103,553	4%	100	76	82	88	**91**
SOUTH HARNETT ELEMENTARY	1956	75,757	20%	79	86	68	53	**74**
WAYNE AVENUE ELEMTARY	1957	37,897	27%	69	100	66	98	**74**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**1,355,539**	**18%**	**82**	**86**	**74**	**84**	**80**
Middle Schools								
COATS-ERWIN MIDDLE	1999	138,691	8%	90	98	83	93	**89**
DUNN MIDDLE	1996	120,851	5%	94	98	89	100	**94**
HARNETT CENTRAL MIDDLE	1992	143,390	19%	78	95	69	84	**78**
HIGHLAND MIDDLE	2014	149,462	0%	100	100	99	100	**100**
OVERHILLS MIDDLE	2000	138,217	6%	93	98	85	94	**91**
WESTERN HARNETT MIDDLE	1990	143,190	11%	87	100	88	95	**89**
MIDDLE SCHOOL TOTAL/AVERAGE		**833,801**	**8%**	**90**	**98**	**86**	**94**	**90**

EXHIBIT 3-63 (CONTINUED)
HARNETT COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
High Schools								
HARNETT CENTRAL HIGH	1977	208,181	29%	66	95	70	93	**73**
OVERHILLS HIGH	2003	244,862	0%	100	100	68	100	**90**
TRITON HIGH	1985	254,932	24%	73	87	76	100	**78**
WESTERN HARNETT HIGH	1977	204,686	37%	59	86	68	80	**66**
HIGH SCHOOL TOTAL/AVERAGE		**912,661**	**23%**	**74**	**92**	**70**	**93**	**77**
Other Educational								
STAR ACADEMY	1914	37,309	30%	66	93	62	100	**71**
OTHER EDUCATIONAL TOTAL/AVERAGE		**37,309**	**30%**	**66**	**93**	**62**	**100**	**71**
DISTRICT TOTAL/AVERAGE		**3,139,310**	**17%**	**82**	**90**	**75**	**88**	**81**

*Construction year based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

HARNETT CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-64
HARNETT COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
ANDERSON CREEK PRIMARY	KG-02	553	508	**109%**
ANGIER ELEMENTARY	03-05	453	660	**69%**
BENHAVEN ELEMENTARY	KG-05	495	424	**117%**
BOONE TRAIL ELEMENTARY	KG-05	970	807	**120%**
BUIES CREEK ELEMENTARY	KG-05	307	283	**108%**
COATS ELEMENTARY	KG-05	734	622	**118%**
ERWIN ELEMENTARY	03-05	278	333	**84%**
GENTRY PRIMARY	KG-02	273	267	**102%**
HARNETT PRIMARY	KG-03	610	536	**114%**
HIGHLAND ELEMENTARY	KG-05	986	544	**181%**
JOHNSONVILLE ELEMENTARY	KG-05	588	523	**113%**
LAFAYETTE ELEMENTARY	KG-05	673	605	**111%**
LILLINGTON-SHAWTOWN ELEMENTARY	KG-05	654	645	**101%**
NORTH HARNETT PRIMARY	KG-02	439	343	**128%**
OVERHILLS ELEMENTARY	KG-05	936	672	**139%**
SOUTH HARNETT ELEMENTARY	03-05	534	515	**104%**
WAYNE AVENUE ELEMTARY	04-05	241	293	**82%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**9,724**	**8,579**	**113%**

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-64 (CONTINUED)
HARNETT COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Middle Schools				
COATS-ERWIN MIDDLE	06-08	656	539	**122%**
DUNN MIDDLE	06-08	391	570	**69%**
HARNETT CENTRAL MIDDLE	06-08	1,151	816	**141%**
HIGHLAND MIDDLE	06-08	884	755	**117%**
OVERHILLS MIDDLE	06-08	739	959	**77%**
WESTERN HARNETT MIDDLE	06-08	678	937	**72%**
MIDDLE SCHOOL TOTAL/AVERAGE		**4,499**	**4,575**	**98%**
High Schools				
HARNETT CENTRAL HIGH	09-12	1,490	1,442	**103%**
OVERHILLS HIGH	09-12	1,770	1,121	**158%**
TRITON HIGH	09-12	1,264	1,087	**116%**
WESTERN HARNETT HIGH	09-12	1,428	1,082	**132%**
HIGH SCHOOL TOTAL/AVERAGE		**5,952**	**4,731**	**126%**
Other Educational				
STAR ACADEMY	06-12	77	161	**48%**
OTHER EDUCATIONAL TOTAL/AVERAGE		**77**	**161**	**48%**
DISTRICT TOTAL/AVERAGE		**20,252**	**18,045**	**112%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

HARNETT BUDGET ESTIMATES

EXHIBIT 3-65
HARNETT COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
ANDERSON CREEK PRIMARY	$ 3,405,586	$ -	$3,405,586
ANGIER ELEMENTARY	$493,800	$ -	$493,800
BENHAVEN ELEMENTARY	$10,558,557	$17,545,226	$(6,986,669)
BOONE TRAIL ELEMENTARY	$5,037,849	$ -	$5,037,849
BUIES CREEK ELEMENTARY	$ 5,469,925	$7,736,771	$ (2,266,846)
COATS ELEMENTARY	$4,202,391	$7,944,934	$(3,742,543)
ERWIN ELEMENTARY	$16,673,466	$10,708,925	$5,964,541
GENTRY PRIMARY	$9,277,753	$ -	$9,277,753
HARNETT PRIMARY	$3,326,024	$ -	$3,326,024
HIGHLAND ELEMENTARY	$11,871,263	$10,483,834	$1,387,429
JOHNSONVILLE ELEMENTARY	$7,361,919	$22,919,447	$(15,557,528)
LAFAYETTE ELEMENTARY	$7,508,558	$10,850,056	$ (3,341,498)
LILLINGTON-SHAWTOWN ELEMENTARY	$2,363,359	$ -	$2,363,359
NORTH HARNETT PRIMARY	$4,997,240	$ -	$4,997,240
OVERHILLS ELEMENTARY	$7,437,216	$11,339,493	$(3,902,277)
SOUTH HARNETT ELEMENTARY	$6,370,491	$ -	$6,370,491
WAYNE AVENUE ELEMTARY	$3,462,940	$ -	$3,462,940
ELEMENTARY SCHOOL TOTAL	**$109,818,336**	**$99,528,686**	**$10,289,650**

EXHIBIT 3-65 (CONTINUED)
HARNETT COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Middle Schools			
COATS-ERWIN MIDDLE	$ 6,550,653	$ -	$6,550,653
DUNN MIDDLE	$2,779,213	$ -	$2,779,213
HARNETT CENTRAL MIDDLE	$15,559,214	$14,996,213	$563,001
HIGHLAND MIDDLE	$2,015,818	$ -	$2,015,818
OVERHILLS MIDDLE	$3,956,611	$9,859,605	$(5,902,994)
WESTERN HARNETT MIDDLE	$5,681,165	$11,184,351	$(5,503,186)
MIDDLE SCHOOL TOTAL	**$36,542,674**	**$36,040,169**	**$502,505**
High Schools			
HARNETT CENTRAL HIGH	$21,223,441	$ -	$21,223,441
OVERHILLS HIGH	$16,391,258	$13,122,210	$3,269,048
TRITON HIGH	$12,299,990	$ -	$12,299,990
WESTERN HARNETT HIGH	$25,834,684	$ -	$25,834,684
HIGH SCHOOL TOTAL/AVERAGE	**$75,749,373**	**$13,122,210**	**$62,627,163**
Other Educational			
STAR ACADEMY	$17,091,525	$ -	$17,091,525
OTHER EDUCATIONAL TOTAL	**$17,091,525**	$ -	**$17,091,525**
DISTRICT TOTAL	**$239,201,908**	**$ 148,691,065**	**$90,510,843**

Source: MGT of America Consulting, LLC, 2017.

HARNETT FUNDING CAPACITY

Harnett County has an annual district budget of approximately $111,265,820. The capital program revenue is distributed across seven major categories for a total of $6,250,560. The FY 2015-16 district information is shown in **Exhibit 3-66.**

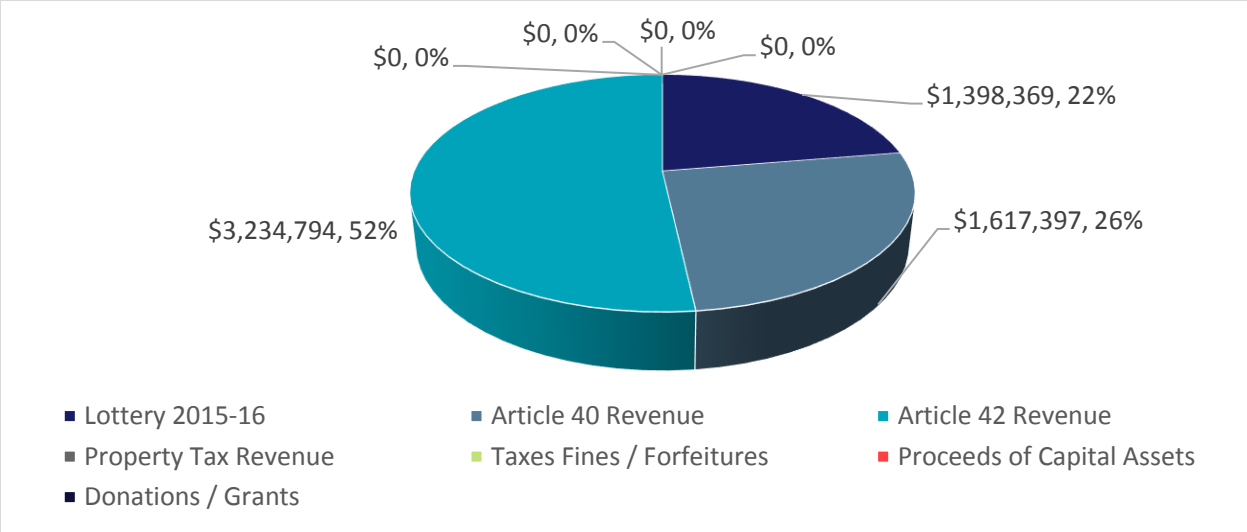
EXHIBIT 3-66
HARNETT COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Harnett
Dept. of Public Instruction Region	3
Count of Schools	28
Number of Students	19,931
Area in Square Miles	601
CIP 5-year Plan Need	$0
Lottery 2015-16	$1,398,369
Article 40 Revenue	$1,617,397
Article 42 Revenue	$3,234,794
Property Tax Revenue	$0
Taxes Fines / Forfeitures	$0
Proceeds of Capital Assets	$0
Donations / Grants	$0
Total Capital Budget	$6,250,560
Capital Revenue as Percent of Budget	5.62%
District Budget	$111,265,820
County Budget Allocation to District	$2,345,369
% County Allocation / Budget	2.11%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Exhibit 3-67 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-67
HARNETT COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Harnett County has an assessed property valuation of $8,020,478,345. The current tax rate for the county is $0.7500 which generates approximately $60,153,588 in revenue. The county has no general obligation bond debt installment debt but does have a maximum unused debt amount of $100,000,000.

EXHIBIT 3-68
HARNETT COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Harnett
Maximum Property Tax Rate	$1.50
Assessed Valuation	$8,020,478,345
Maximum Allowable Debt Service Amount	$641,638,268
Current Property Tax Revenue (assessed value x current tax rate)	$60,153,588
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$120,307,175
Percentage of Property Tax Revenue	50.00%
GO Bond Debt	$0
Installment Debt	$0
Maximum Unused	$100,000,000

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

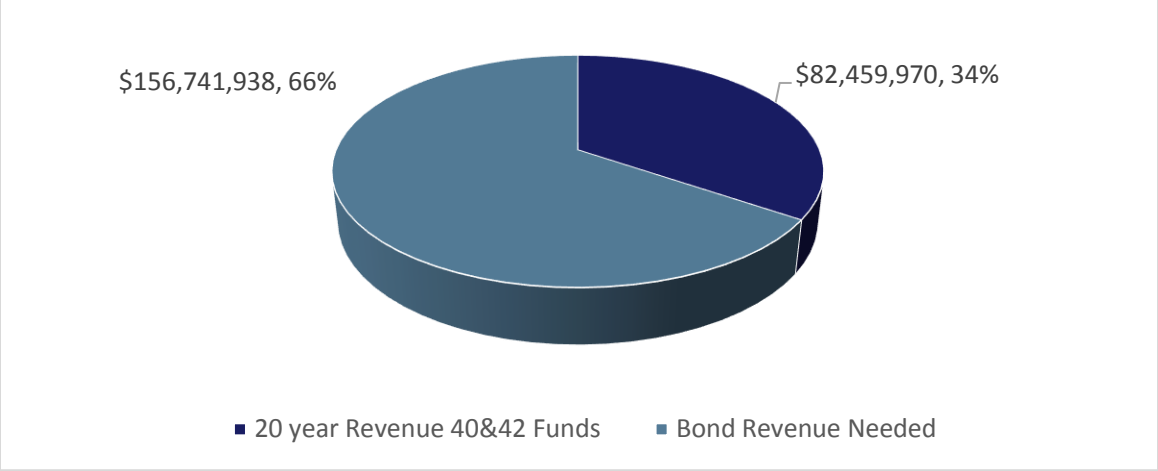
Based on the condition, site, suitability, and technology readiness assessments there is currently $239,201,908 of school facility need in Harnett County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $82,459,970, then the total facility need amount is reduced to $156,741,938. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $10,319,964 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.1290, from $0.7500 to $0.8790. **Exhibit 3-69** illustrates the future facility need and the financing options to address that need. **Exhibit 3-70** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-69
HARNETT COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$239,201,908
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$82,459,970
Bond Revenue Needed	$156,741,938
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**34.5%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$10,319,964**
Property Tax Rate	$0.7500
Property Rate Increase to cover debt	$0.1290
Projected Annual Tax Rate Increase	**$0.8790**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

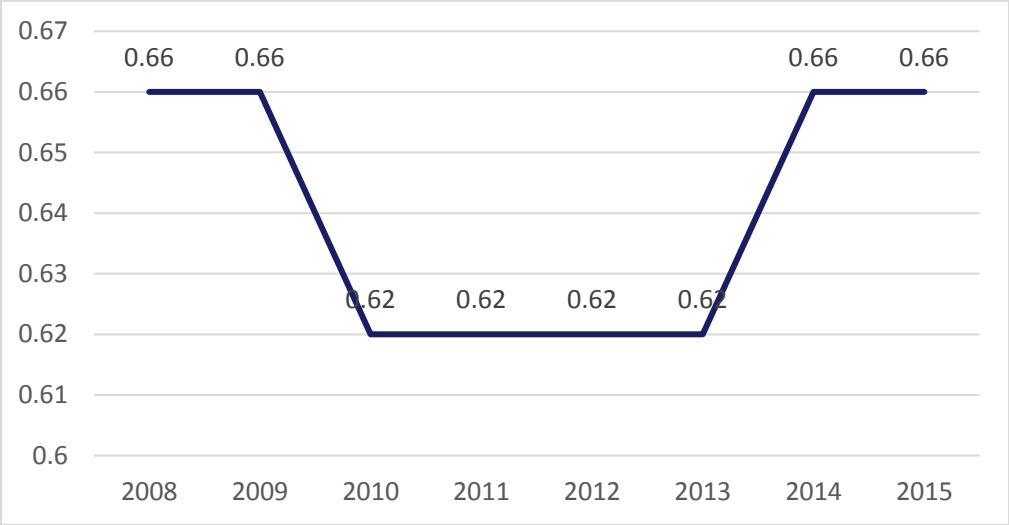
EXHIBIT 3-70
HARNETT COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

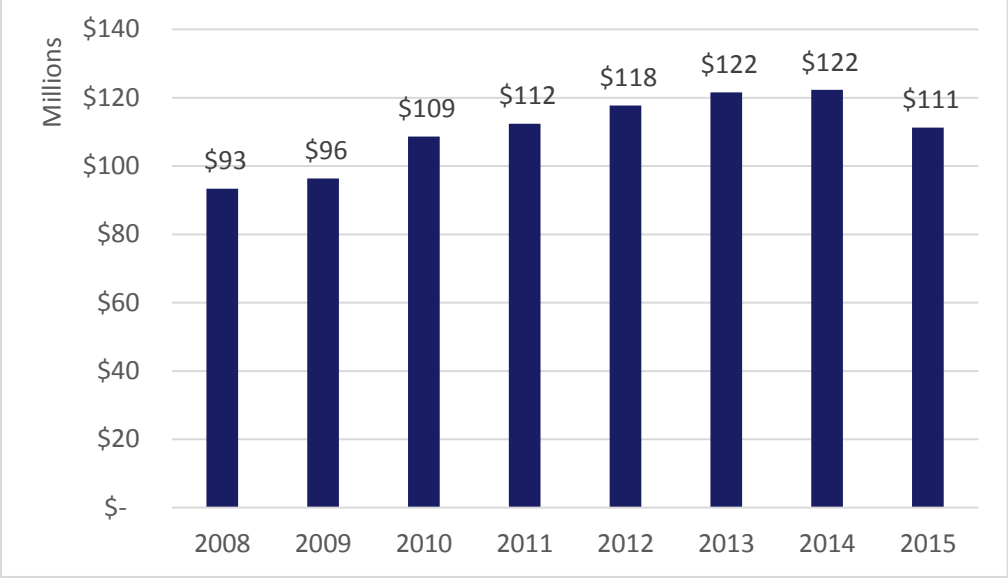
The county has had an eight-year historical tax rate average of $0.66. as **Exhibit 3-71** illustrates. The county has had revenue of $93,379,154 in 2008 to $111,265,820 in 2015. **Exhibit 3-72** shows the eight-year historical revenue for Harnett County.

EXHIBIT 3-71
HARNETT COUNTY
TAX RATE*



*Data only available to MGT for 2008 – 2015.
Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-72
HARNETT COUNTY
REVENUE*



*Data only available to MGT for 2008 – 2015.
Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.7 JONES COUNTY

Jones County Schools serve 1,108 students in six schools. Year of construction ranges from Jones Middle and High Schools in 1951 to Comfort Elementary School in 1990.

EXHIBIT 3-73
JONES COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	50	89	73
MIDDLE SCHOOLS	58	58	58
HIGH SCHOOLS	61	61	61

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-74
JONES COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	56%	90%	69%
MIDDLE SCHOOLS	46%	46%	46%
HIGH SCHOOLS	64%	64%	64%

Source: MGT of America Consulting, LLC, 2017.

JONES ASSESSMENT SCORES

EXHIBIT 3-75
JONES COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
COMFORT ELEMENTARY	1999	39,809	12%	87	93	87	97	**89**
MAYSVILLE ELEMENTARY	1978	36,973	18%	83	78	78	77	**81**
POLLOCKSVILLE ELEMENTARY	1992	34,800	34%	69	49	78	87	**71**
TRENTON ELEMENTARY	1958	35,500	61%	39	37	64	74	**50**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**147,082**	**31%**	**69**	**64**	**77**	**84**	**73**
Middle Schools								
JONES MIDDLE	1951	41,783	52%	49	42	68	92	**58**
MIDDLE SCHOOL TOTAL/AVERAGE		**41,783**	**52%**	**49**	**42**	**68**	**92**	**58**
High Schools								
JONES SENIOR HIGH	1951	96,039	47%	51	64	72	72	**61**
HIGH SCHOOL TOTAL/AVERAGE		**96,039**	**47%**	**51**	**64**	**72**	**72**	**61**
DISTRICT TOTAL/AVERAGE		**284,904**	**37%**	**63**	**61**	**75**	**83**	**68**

*Construction year based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

JONES CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-76
JONES COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
COMFORT ELEMENTARY	PK-06	144	189	**76%**
MAYSVILLE ELEMENTARY	PK-06	120	214	**56%**
POLLOCKSVILLE ELEMENTARY	PK-06	170	189	**90%**
TRENTON ELEMENTARY	PK-06	183	303	**60%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**617**	**895**	**69%**
Middle Schools				
JONES MIDDLE	07-08	155	340	**46%**
MIDDLE SCHOOL TOTAL/AVERAGE		**155**	**340**	**46%**
High Schools				
JONES SENIOR HIGH	09-12	305	477	**64%**
HIGH SCHOOL TOTAL/AVERAGE		**305**	**477**	**64%**
DISTRICT TOTAL/AVERAGE		**1,077**	**1,712**	**63%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

JONES BUDGET ESTIMATES

EXHIBIT 3-77
JONES COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
COMFORT ELEMENTARY	$1,517,309	$ -	$1,517,309
MAYSVILLE ELEMENTARY	$2,241,516	$68,400	$2,173,116
POLLOCKSVILLE ELEMENTARY	$3,281,772	$ -	$3,281,772
TRENTON ELEMENTARY	$8,010,220	$1,632,125	$6,378,095
ELEMENTARY SCHOOL TOTAL	**$15,050,817**	**$1,700,525**	**$13,350,292**
Middle Schools			
JONES MIDDLE	$10,120,215	$11,895,937	$(1,775,722)
MIDDLE SCHOOL TOTAL	**$10,120,215**	**$11,895,937**	**$(1,775,722)**
High Schools			
JONES SENIOR HIGH	$13,359,193	$17,788,332	$(4,429,139)
HIGH SCHOOL TOTAL/AVERAGE	**$13,359,193**	**$17,788,332**	**$(4,429,139)**
DISTRICT TOTAL	**$38,530,225**	**$31,384,794**	**$7,145,431**

Source: MGT of America Consulting, LLC, 2017.

JONES FUNDING CAPACITY

Jones County has an annual district budget of approximately $12,811,778. The capital program revenue is distributed across seven major categories for a total of $1,352,473. The FY 2015-16 district information is shown in **Exhibit 3-78.**

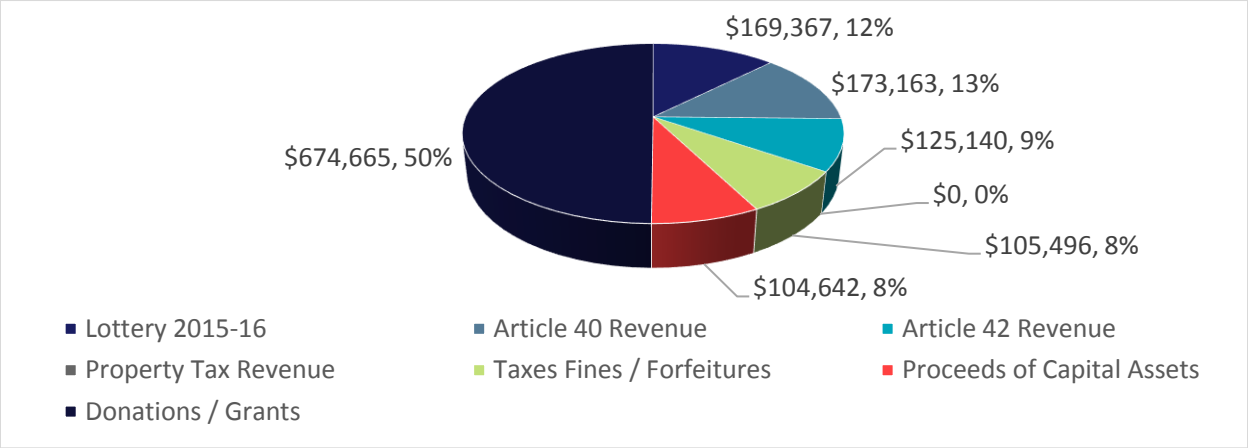
EXHIBIT 3-78
JONES COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Jones
Dept. of Public Instruction Region	2
Count of Schools	6
Number of Students	1108
Area in Square Miles	473
CIP 5-year Plan Need	$0.00
Lottery 2015-16	$169,367
Article 40 Revenue	$173,163
Article 42 Revenue	$125,140
Property Tax Revenue	$0
Taxes Fines / Forfeitures	$105,496
Proceeds of Capital Assets	$104,642
Donations / Grants	$674,665
Total Capital Budget	$1,352,473
Capital Revenue as Percent of Budget	10.56%
District Budget	$12,811,778
County Budget Allocation to District	$1,740,900
% County Allocation / Budget	13.6%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

Exhibit 3-79 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-79
JONES COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Jones County has an assessed property valuation of $813,248,643. The current tax rate for the county is $0.7900, which generates approximately $6,424,664 in revenue. The county has installment debt of $2,029,071 and has a maximum unused debt of amount $2,029,071.

EXHIBIT 3-80
JONES COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Jones
Maximum Property Tax Rate	$1.50
Assessed Valuation	$813,248,643
Maximum Allowable Debt Service Amount	$65,059,891
Current Property Tax Revenue (assessed value x current tax rate)	$6,424,664
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$12,198,730
Percentage of Property Tax Revenue	52.67%
GO Bond Debt	$0.00
Installment Debt	$2,029,071
Maximum Unused	$2,029,071

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Based on the condition, site, suitability, and technology readiness assessments there is currently $38,530,225 of school facility need in Jones County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $5,720,600, then the total facility need

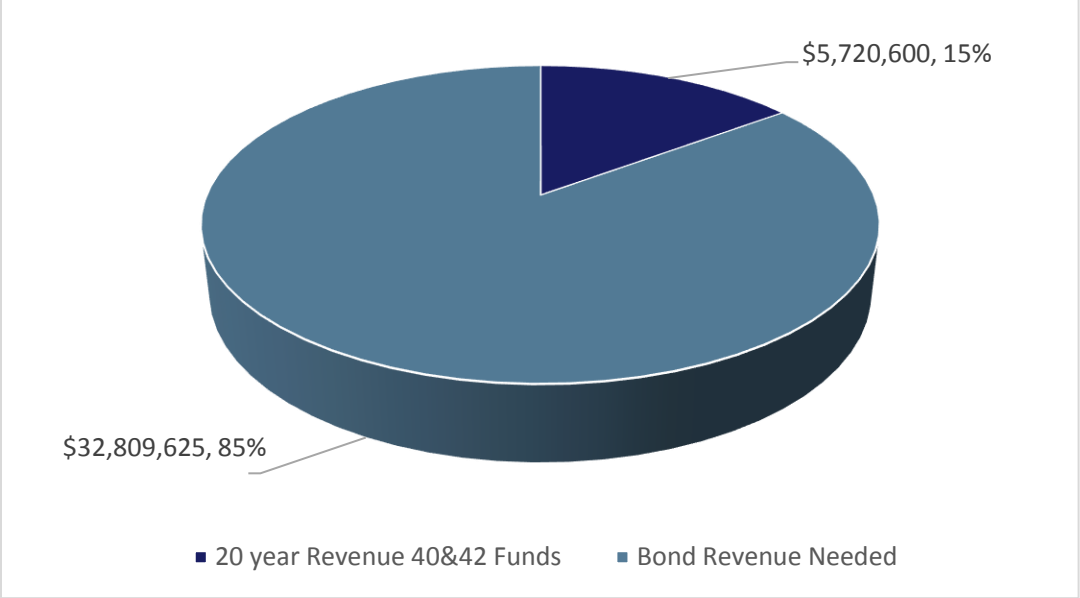
amount is reduced to $32,809,625. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $2,160,201(includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.2660, from $0.7900 to $1.0560. **Exhibit 3-81** illustrates the future facility need and the financing options to address that need. **Exhibit 3-82** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-81
JONES COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$38,530,225
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$5,720,600
Bond Revenue Needed	$32,809,625
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**14.8%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$2,160,201**
Property Tax Rate	$0.7900
Property Rate Increase to cover debt	$0.2660
Projected Annual Tax Rate Increase	**$1.0560**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

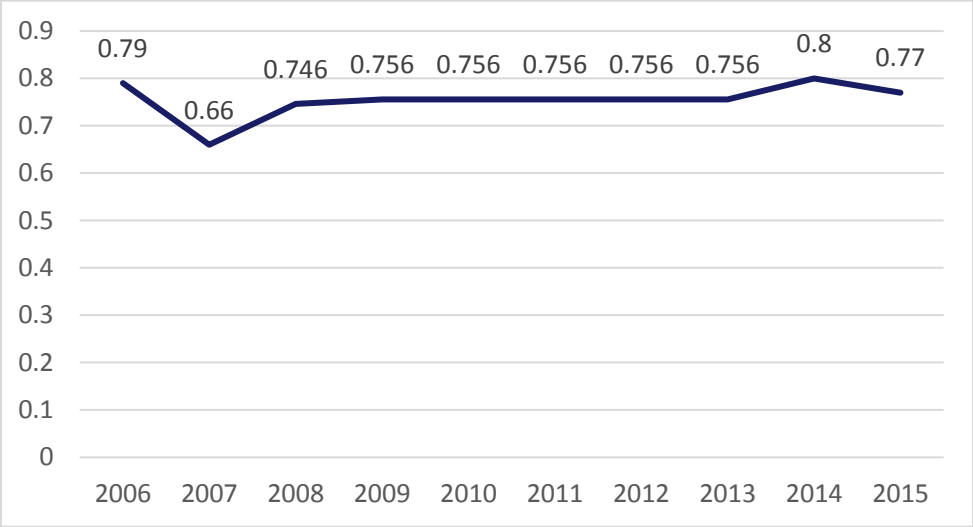
EXHIBIT 3-82
JONES COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

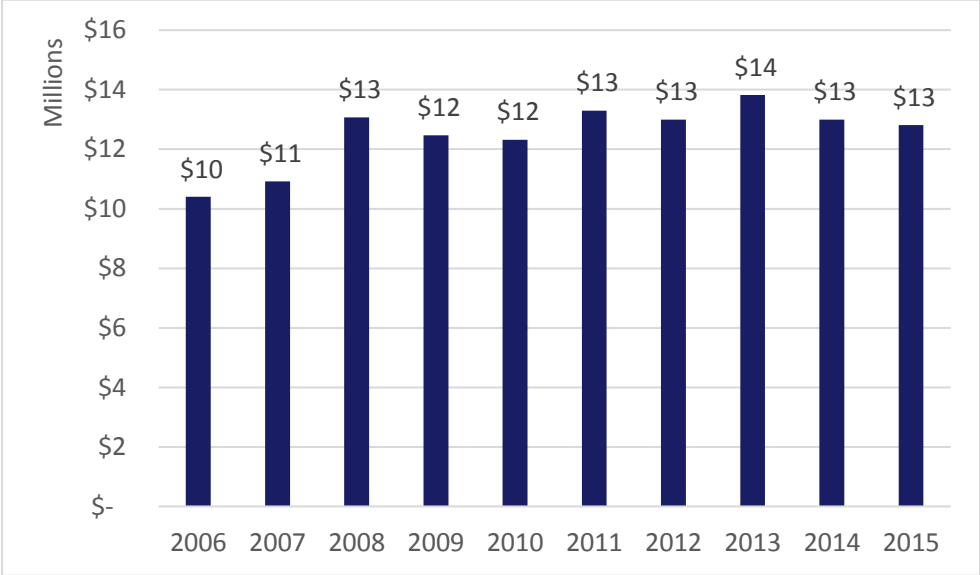
The county has had an eight-year historical tax rate between $0.7460 in 2008 to $0.7700 in 2015. **Exhibit 3-83** illustrates the eight-year trend of historical tax rates. The county has had revenue of $ $13,070,081 in 2008 to $12,811,778 in 2015**. Exhibit 3-84** show eight-year historical revenue for Jones County.

EXHIBIT 3-83
JONES COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-84
JONES COUNTY
REVENUE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.8 SCOTLAND COUNTY

Scotland County Schools serve 5,624 students in eleven schools. Year of construction ranges from Covington Street Elementary School in 1952 to Carver and Spring Hill Middle Schools in 2000. Scotland County is currently undergoing a phased implementation of school consolidation. In recent years, the district has closed two of the smallest elementary schools, reduced the number of middle schools from three to two, and converting one to an elementary school.

EXHIBIT 3-85
SCOTLAND COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	67	93	77
MIDDLE SCHOOLS	91	91	91
HIGH SCHOOLS	65	86	75

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-86
SCOTLAND COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	79%	108%	94%
MIDDLE SCHOOLS	82%	100%	90%
HIGH SCHOOLS	27%	102%	91%

Source: MGT of America Consulting, LLC, 2017.

SCOTLAND ASSESSMENT SCORES

EXHIBIT 3-87
SCOTLAND COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
COVINGTON STREET ELEMENTARY	1952	32,364	28%	69	93	68	97	**74**
I E JOHNSON ELEMENTARY	1952	48,584	35%	63	82	77	90	**72**
LAUREL HILL ELEMENTARY	1999	75,150	2%	97	100	84	88	**93**
NORTH LAURINBURG ELEMENTARY	1958	46,992	28%	69	100	77	97	**77**
SOUTH SCOTLAND ELEMENTARY	1960	42,369	38%	60	77	68	92	**67**
SYCAMORE LANE ELEMENTARY	1983	80,000	19%	80	85	75	85	**79**
WAGRAM ELEMENTARY	1983	73,960	27%	72	80	77	100	**77**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**399,419**	**25%**	**73**	**88**	**75**	**93**	**77**
Middle Schools								
CARVER MIDDLE	2000	88,486	8%	91	100	86	93	**91**
SPRING HILL MIDDLE	2000	88,486	2%	97	100	79	87	**91**
MIDDLE SCHOOL TOTAL/AVERAGE		**176,972**	**5%**	**94**	**100**	**82**	**90**	**91**

EXHIBIT 3-87 (CONTINUED)
SCOTLAND COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
High Schools								
SCOTLAND HIGH SCHOOL	1967	285,240	20%	77	92	94	97	**86**
SHAW ACADEMY	1951	54,896	38%	62	59	66	80	**65**
HIGH SCHOOL TOTAL/AVERAGE		**340,136**	**29%**	**70**	**75**	**80**	**88**	**75**
DISTRICT TOTAL/AVERAGE		**916,527**	**22%**	**76**	**88**	**77**	**91**	**79**

*Construction year based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

SCOTLAND CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-88
SCOTLAND COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
COVINGTON STREET ELEMENTARY	KG-05	293	323	**91%**
I E JOHNSON ELEMENTARY	PK-05	362	382	**95%**
LAUREL HILL ELEMENTARY	PK-05	527	610	**86%**
NORTH LAURINBURG ELEMENTARY	PK-05	251	319	**79%**
SOUTH SCOTLAND ELEMENTARY	PK-05	400	428	**93%**
SYCAMORE LANE ELEMENTARY	KG-05	563	523	**108%**
WAGRAM ELEMENTARY	PK-05	445	448	**99%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**2,841**	**3,034**	**94%**
Middle Schools				
CARVER MIDDLE	06-08	623	763	**82%**
SPRING HILL MIDDLE	06-08	627	627	**100%**
MIDDLE SCHOOL TOTAL/AVERAGE		**1,250**	**1,391**	**90%**
High Schools				
SCOTLAND HIGH SCHOOL	09-12	1,469	1,443	**102%**
SHAW ACADEMY	06-12	64	233	**27%**
HIGH SCHOOL TOTAL/AVERAGE		**1,533**	**1,676**	**91%**
DISTRICT TOTAL/AVERAGE		**5,624**	**6,100**	**92%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

SCOTLAND BUDGET ESTIMATES

EXHIBIT 3-89
SCOTLAND COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
COVINGTON STREET ELEMENTARY	$3,040,053	$125,400	$2,914,653
I E JOHNSON ELEMENTARY	$4,970,545	$313,500	$4,657,045
LAUREL HILL ELEMENTARY	$1,591,405	$547,200	$1,044,205
NORTH LAURINBURG ELEMENTARY	$3,993,449	$248,520	$3,744,929
SOUTH SCOTLAND ELEMENTARY	$ 4,910,568	$250,800	$4,659,768
SYCAMORE LANE ELEMENTARY	$6,690,046	$304,950	$6,385,096
WAGRAM ELEMENTARY	$6,079,503	$134,520	$5,944,983
ELEMENTARY SCHOOL TOTAL	**$31,275,569**	**$1,924,890**	**$29,350,679**
Middle Schools			
CARVER MIDDLE	$2,829,860	$433,200	$2,396,660
SPRING HILL MIDDLE	$2,665,671	$290,700	$2,374,971
MIDDLE SCHOOL TOTAL	**$5,495,531**	**$723,900**	**$4,771,631**
High Schools			
SCOTLAND HIGH SCHOOL	$16,542,187	$ 1,146,840	$ 15,395,347
SHAW ACADEMY	$6,219,201	$285,000	$ 5,934,201
HIGH SCHOOL TOTAL/AVERAGE	**$22,761,388**	**$1,431,840**	**$21,329,548**
DISTRICT TOTAL	**$59,532,489**	**$4,080,630**	**$ 55,451,859**

Source: MGT of America Consulting, LLC, 2017.

SCOTLAND FUNDING CAPACITY

Scotland County has an annual district budget of approximately $40,000,000. The capital program revenue is distributed across seven major categories for a total of $2,341,289. The FY 2015-16 district information is shown in **Exhibit 3-90.**

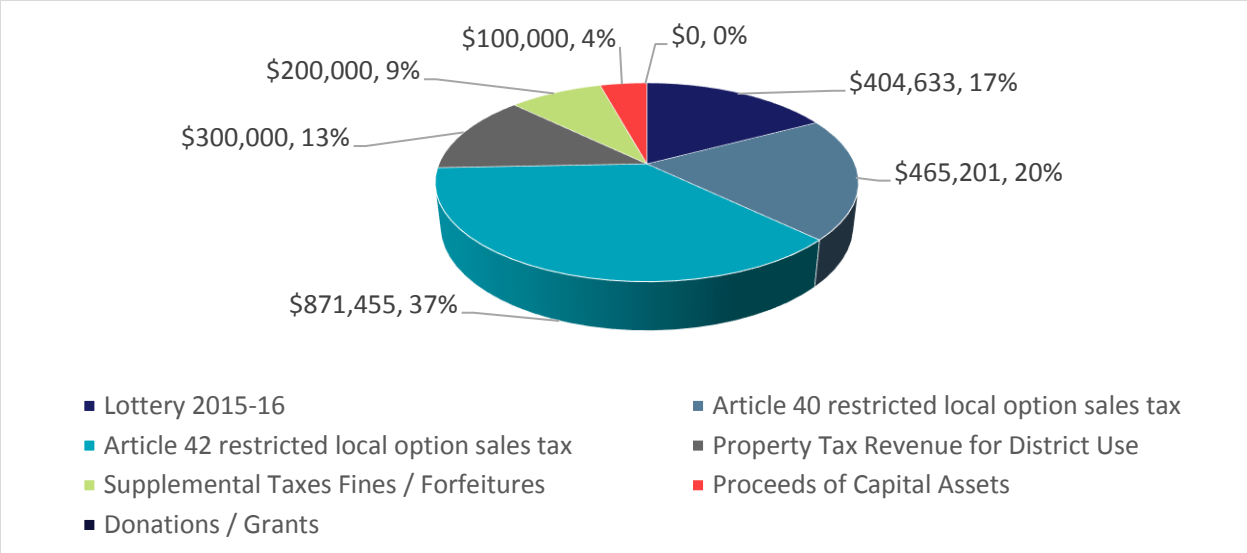
EXHIBIT 3-90
SCOTLAND COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Scotland
Dept. of Public Instruction Region	4
Count of Schools	11
Number of Students	5,624
Area in Square Miles	320
CIP 5-year Plan Need	$0
Lottery 2015-16	$404,633
Article 40 restricted local option sales tax	$465,201
Article 42 restricted local option sales tax	$871,455
Property Tax Revenue for District Use	$300,000
Supplemental Taxes Fines / Forfeitures	$200,000
Proceeds of Capital Assets	$100,000
Donations / Grants	$0
Total Capital Budget	$2,341,289
Capital Revenue as Percent of Budget	5.85%
District Budget	$40,000,000
County Budget Allocation to District	$1,200,000
% County Allocation / Budget	3.00%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Exhibit 3-91 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-91
SCOTLAND COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

Scotland County has an assessed property valuation of $2,200,000,000. The current tax rate for the county is $1.0200 which generates approximately $21,568,627 in revenue. The county has general obligation bond debt of $3,594,000.

EXHIBIT 3-92
SCOTLAND COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Scotland
Maximum Property Tax Rate	$1.50
Assessed Valuation	$2,200,000,000
Maximum Allowable Debt Service Amount	$176,000,000
Current Property Tax Revenue (assessed value x current tax rate)	$21,568,627
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$33,000,000
Percentage of Property Tax Revenue	65.36%
GO Bond Debt	$3,594,000
Installment Debt	$0
Maximum Unused	$0

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

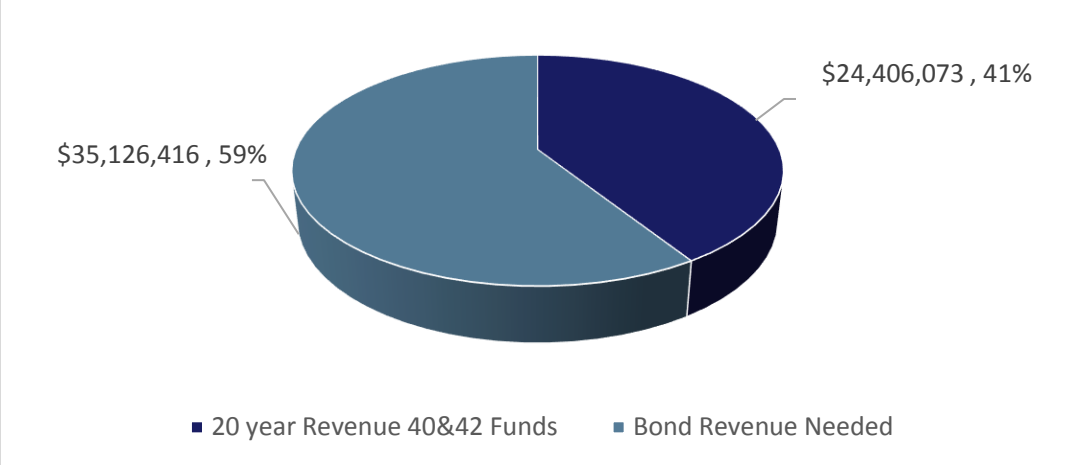
Based on the condition, site, suitability, and technology readiness assessments there is currently $59,532,489 of school facility need in Scotland County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $24,406,073, then the total facility need amount is reduced to $59,532,489. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $2,312,740 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.1051, from $1.0200 to $1.1251. **Exhibit 3-93** illustrates the future facility need and the financing options to address that need. **Exhibit 3-94** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-93
SCOTLAND COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$59,532,489
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$24,406,073
Bond Revenue Needed	$35,126,416
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**41.0%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$2,312,740**
Property Tax Rate	$1.0200
Property Rate Increase to cover debt	$0.1051
Projected Annual Tax Rate Increase	**$1.1251**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

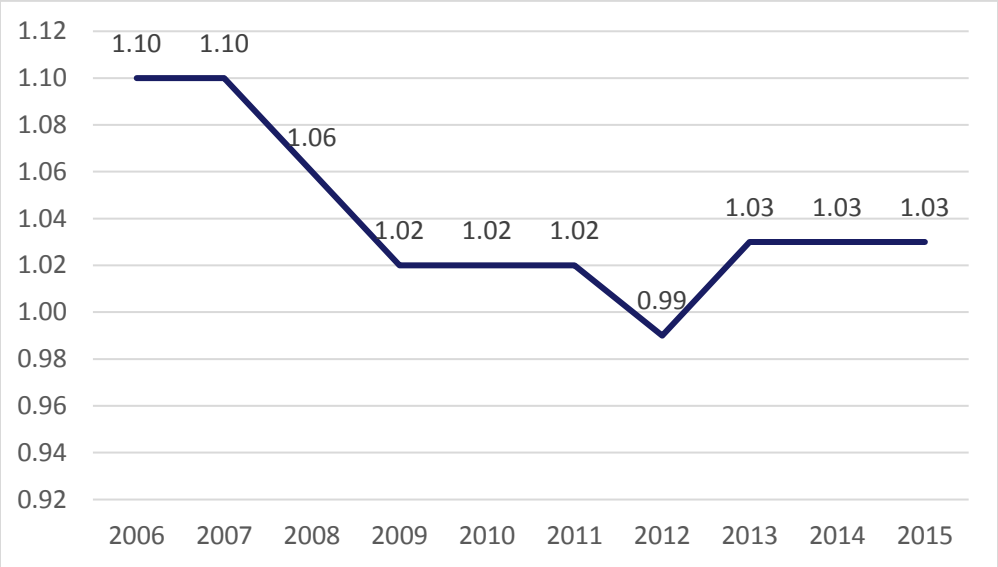
EXHIBIT 3-94
SCOTLAND COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

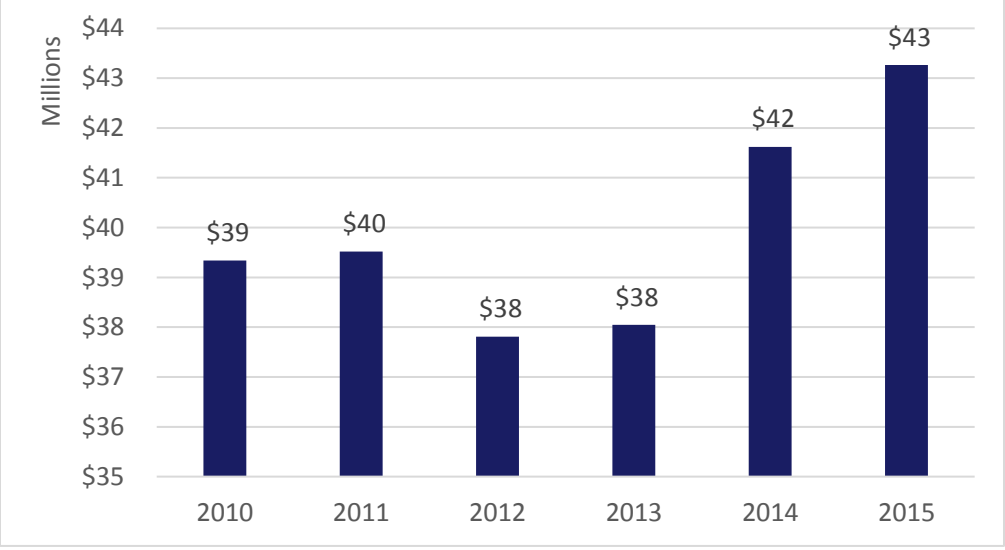
The county has had a five-year average tax rate $1.02 as **Exhibit 3-95** illustrates. The county has had revenue of $ $39,335,713 in 2010 to $43,264,378 in 2015. **Exhibit 3-96** shows the five-year historical revenue for Scotland County.

EXHIBIT 3-95
SCOTLAND COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-96
SCOTLAND COUNTY
REVENUE*



*Data only available to MGT for 2010 – 2015.

Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

3.9 YANCEY COUNTY

Yancey County Schools serve 2,653 students in seven schools. Year of construction ranges from Micaville Elementary School in 1936 to Burnsville Elementary School in 1990. Yancey County is in the process of combining three small elementary schools into one new facility so this report reflects the conditions and capacity of that change. The three schools being combined are not included in this report but were constructed between 1936 – 1940.

EXHIBIT 3-97
YANCEY COUNTY SCHOOLS
COMBINED SCORES RANGE AND AVERAGE

SITE TYPE	COMBINED SCORE (50/10/30/10) RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	62	86	73
MIDDLE SCHOOLS	67	69	68
HIGH SCHOOLS	74	74	74

Source: MGT of America Consulting, LLC, 2017.

EXHIBIT 3-98
YANCEY COUNTY SCHOOLS
UTILIZATION SCORES RANGE AND AVERAGE

SITE TYPE	2015-16 CURRENT UTILIZATION RANGE		AVERAGE
	LOW	HIGH	
ELEMENTARY SCHOOLS	67%	101%	93%
MIDDLE SCHOOLS	86%	96%	91%
HIGH SCHOOLS	77%	77%	77%

Source: MGT of America Consulting, LLC, 2017.

YANCEY ASSESSMENT SCORES

EXHIBIT 3-99
YANCEY COUNTY SCHOOLS
ASSESSMENT SCORES – BY SITE

SITE NAME	YEAR CONSTRUCTED*	ECOMET® GSF	FCI	BUILDING CONDITION SCORE	SITE SCORE	SUITABILITY SCORE	TECHNOLOGY SCORE	COMBINED SCORE (50/10/30/10)
Elementary Schools								
BURNSVILLE ELEMENTARY	1990	67,778	11%	89	92	81	81	**86**
MICAVILLE ELEMENTARY	1936	24,414	40%	64	37	65	65	**62**
SOUTH TOE ELEMENTARY	1951	22,744	28%	73	70	66	78	**71**
NEW SCHOOL		68,862	-	-	-	-	-	-
ELEMENTARY SCHOOL TOTAL/AVERAGE		**183,798**	**26%**	**75**	**66**	**71**	**75**	**73**
Middle Schools								
CANE RIVER MIDDLE	1958	54,577	35%	66	59	69	68	**67**
EAST YANCEY MIDDLE	1958	53,827	32%	68	70	69	80	**69**
MIDDLE SCHOOL TOTAL/AVERAGE		**108,404**	**33%**	**67**	**65**	**69**	**74**	**68**
High Schools								
MOUNTAIN HERITAGE HIGH	1974	153,113	24%	72	95	65	90	**74**
HIGH SCHOOL TOTAL/AVERAGE		**153,113**	**24%**	**72**	**95**	**65**	**90**	**74**
DISTRICT TOTAL/AVERAGE		**445,315**	**28%**	**72**	**71**	**69**	**77**	**71**

*Construction year based on age of main building.
Source: MGT of America Consulting, LLC, 2017.

YANCEY CAPACITY & UTILIZATION ANALYSIS

EXHIBIT 3-100
YANCEY COUNTY SCHOOLS
CURRENT UTILIZATION RATES

SITE NAME	GRADE CONFIGURATION	2015-16 K-12 ADM	K-12 CAPACITY*	2015-16 CURRENT UTILIZATION
Elementary Schools				
BURNSVILLE ELEMENTARY	KG-05	374	375	**100%**
MICAVILLE ELEMENTARY	KG-05	169	168	**101%**
SOUTH TOE ELEMENTARY	KG-05	107	161	**67%**
NEW SCHOOL	KG-05	332	354	**94%**
ELEMENTARY SCHOOL TOTAL/AVERAGE		**982**	**1,058**	**93%**
Middle Schools				
CANE RIVER MIDDLE	06-08	249	291	**86%**
EAST YANCEY MIDDLE	06-08	276	287	**96%**
MIDDLE SCHOOL TOTAL/AVERAGE		**525**	**578**	**91%**
High Schools				
MOUNTAIN HERITAGE HIGH	09-12	679	881	**77%**
HIGH SCHOOL TOTAL/AVERAGE		**679**	**881**	**77%**
DISTRICT TOTAL/AVERAGE		**2,186**	**2,517**	**87%**

*Does not include portable classrooms.
Source: MGT of America Consulting, LLC, 2017.

YANCEY BUDGET ESTIMATES

EXHIBIT 3-101
YANCEY COUNTY SCHOOLS
TOTAL BUDGET ESTIMATE COMPARISON

SITE NAME	2017 MGT / PARSONS TOTAL BUDGET ESTIMATE	0 TO 5 YEARS 2015-16 FACILITY NEEDS SURVEY TOTAL	DIFFERENCE
Elementary Schools			
BURNSVILLE ELEMENTARY	$3,014,580	$758,750	$2,255,830
MICAVILLE ELEMENTARY	$2,994,265	$2,167,413	$826,852
SOUTH TOE ELEMENTARY	$2,090,599	$492,805	$1,597,794
ELEMENTARY SCHOOL TOTAL	**$8,099,444**	**$3,418,968**	**$4,680,476**
Middle Schools			
CANE RIVER MIDDLE	$6,179,918	$40,968	$6,138,950
EAST YANCEY MIDDLE	$5,729,963	$28,856	$5,701,107
MIDDLE SCHOOL TOTAL	**$11,909,881**	**$69,824**	**$11,840,057**
High Schools			
MOUNTAIN HERITAGE HIGH	$13,415,270	$102,885	$13,312,385
HIGH SCHOOL TOTAL/AVERAGE	**$13,415,270**	**$102,885**	**$13,312,385**
DISTRICT TOTAL	**$33,424,596**	**$3,591,677**	**$29,832,919**

Source: MGT of America Consulting, LLC, 2017.

YANCEY FUNDING CAPACITY

Yancey County has an annual district budget of approximately $25,070,522. The capital program revenue is distributed across seven major categories for a total of $1,787,304. The FY 2015-16 district information is shown in **Exhibit 3-102.**

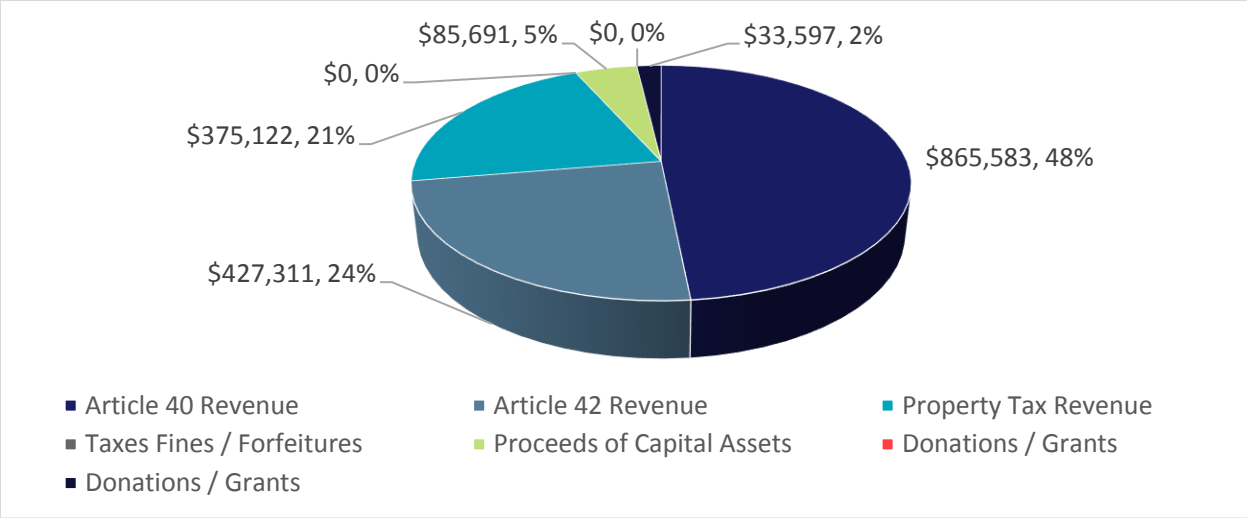
EXHIBIT 3-102
YANCEY COUNTY
DISTRICT INFORMATION FY15-16

District Budget FY2015-2016	Yancey
Dept. of Public Instruction Region	7
Count of Schools	7
Number of Students	2,653
Area in Square Miles	313
CIP 5-year Plan Need	$151,004
Article 40 Revenue	$865,583
Article 42 Revenue	$427,311
Property Tax Revenue	$375,122
Taxes Fines / Forfeitures	$0
Proceeds of Capital Assets	$85,691
Donations / Grants	$0
Donations / Grants	$33,597
Total Capital Budget	$1,787,304
Capital Revenue as Percent of Budget	7.13%
District Budget	$25,070,522
County Budget Allocation to District	$3,040,000
% County Allocation / Budget	12.00%

Sources: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

Exhibit 3-103 below shows the district information for the major revenue categories associated with the capital facilities program in FY 2015-16.

EXHIBIT 3-103
YANCEY COUNTY
FY2015-16 CAPITAL PROGRAM REVENUE



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

Yancey County has an assessed property valuation of $2,123,837,445. The current tax rate for the county is $0.6000 which generates approximately $12,743,025 in revenue. The county has local installment debt of $2,591,333.

EXHIBIT 3-104
YANCEY COUNTY
ASSESSED VALUATION AND DEBT INFORMATION

Assessed Valuation and Property Tax Information	Yancey
Maximum Property Tax Rate	$1.50
Assessed Valuation	$2,123,837,445
Maximum Allowable Debt Service Amount	$169,906,996
Current Property Tax Revenue (assessed value x current tax rate)	$12,743,025
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$31,857,562
Percentage of Property Tax Revenue	40.00%
GO Bond Debt	$0
Installment Debt	$2,591,333
Maximum Unused	$2,591,333

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

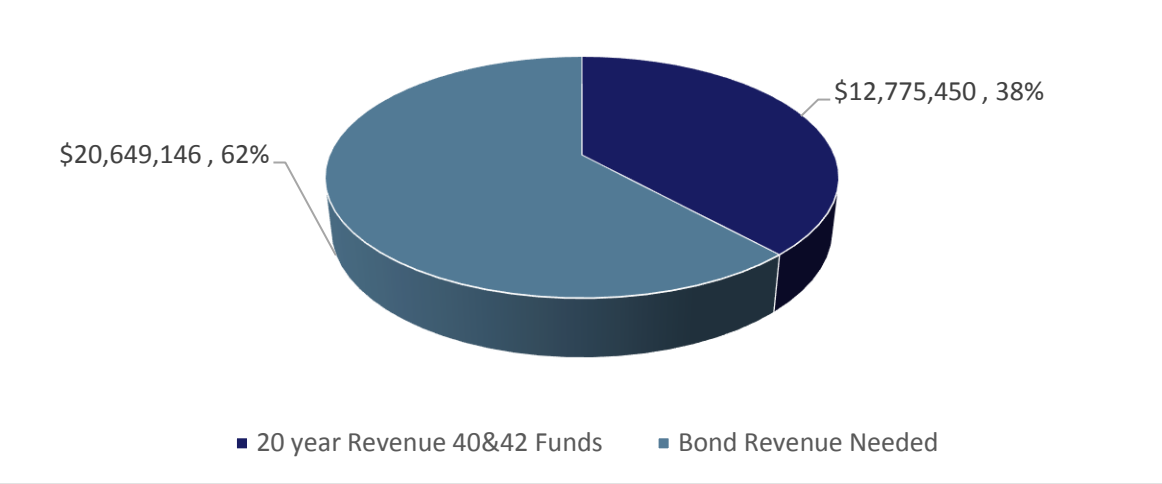
Based on the condition, site, suitability, and technology readiness assessments there is currently $33,424,596 of school facility need in Yancey County. If the Local Sales Option tax revenue is dedicated over the next twenty years to capital facility needs, an estimated $12,775,450, then the total facility need amount is reduced to $20,649,146. To generate the remaining needed revenue, using a 20-year general obligation bond (GO) model, it is estimated that an annual payment of $1,359,550 (includes interest and fees) will be required. A tax increase to service the new GO bond debt would require the county to increase the tax rate $0.0640, from $0.6000 to $0.6640. **Exhibit 3-105** illustrates the future facility need and the financing options to address that need. **Exhibit 3-106** highlights the dollar amounts and percentages of the two major revenue sources to address the facility need, Local Sales Option Tax in categories 40 and 42 and the additional bonded revenue necessary.

EXHIBIT 3-105
YANCEY COUNTY
CAPITAL FACILITY NEEDS AND FINANCING OPTIONS

Capital Requirements as Determined by MGT Parsons	
Future Facility Need	$33,424,596
Financing Option	
20-year Revenue from 40 & 42 Sales Tax Funds	$12,775,450
Bond Revenue Needed	$20,649,146
Percentage of Capital Need Provided by 40 & 42 Sales Tax Funds	**38.2%**
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	**$1,359,550**
Property Tax Rate	$0.6000
Property Rate Increase to cover debt	$0.0640
Projected Annual Tax Rate Increase	**$0.6640**

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

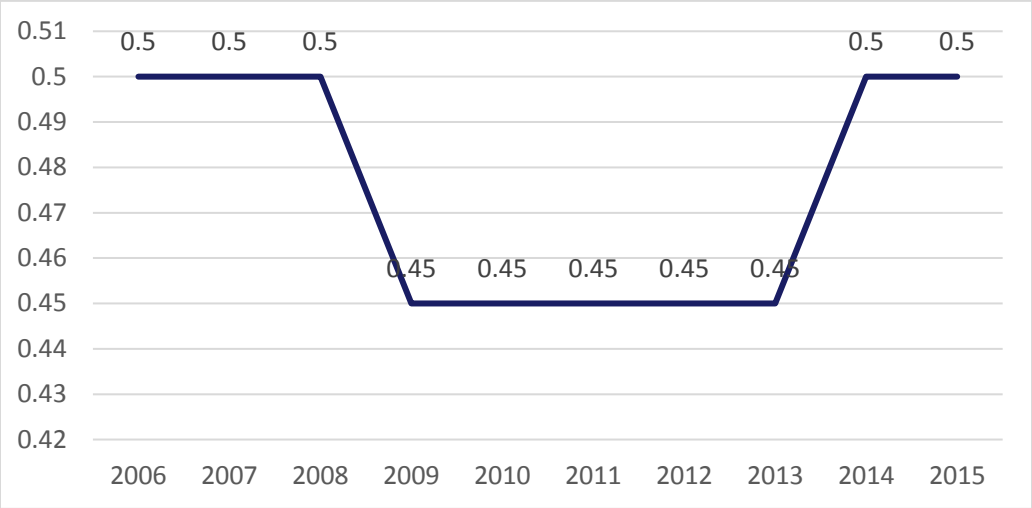
EXHIBIT 3-106
YANCEY COUNTY
BOND REVENUE COMPARISION TO LOCAL SALES TAX OPTION FOR FUTURE FACILITY NEED



Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.
Calculated data by MGT, 2017.

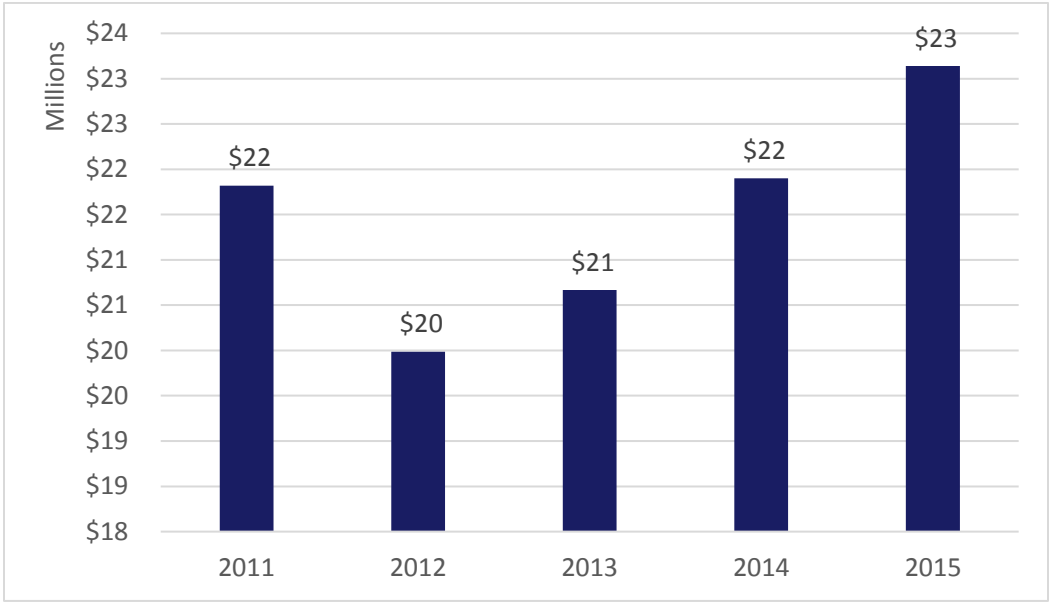
The county has had an eight-year historical average tax rate between $0.500 as **Exhibit 3-107** illustrates. The county has had revenue of $21,818,906 in 2011 to $23,139,706 in 2015. **Exhibit 3-108** shows the eight-year historical revenue for Yancey County.

EXHIBIT 3-107
YANCEY COUNTY
TAX RATE



Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

EXHIBIT 3-108
YANCEY COUNTY
REVENUE*



*Data only available to MGT for 2011 – 2015.
Source: District Historical Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) FY 2006-07 through 2015-16. Calculated data by MGT, 2017.

4.0 SUMMARY FINDINGS

4.1 NEEDS SUMMARY

The result of the needs assessment portion of the study reveals significant unmet facility needs across the districts included. **Exhibit 4-1** provides a summary of needs by district and the combined total for all nine districts. This exhibit provides an average of combined score and utilization percentage for elementary, middle, and high schools in each district and the total for all districts. It also provides the cost estimates and comparison with the self-survey. More detailed school-by-school data is included in **Chapter 3.0 Findings by District**.

EXHIBIT 4-1
FACILITY NEEDS SUMMARY

Site Name	Combined Score (50/10/30/10)	2015-16 Current Utilization	2017 MGT / Parsons Total Budget Estimate	0 to 5 Years 2015-16 Facility Needs Survey Total	Difference
Anson County					
Elementary School Total/Average	71	89%	$44,188,206	$4,736,554	$39,451,652
Middle School Total/Average	37	136%	$31,340,207	$24,532,338	$6,807,869
High School Total/Average	67	76%	$24,525,671	$56,253,394	-$31,727,723
Anson County Total/Average	66	89%	$100,054,084	$85,522,286	$14,531,798
Bertie County					
Elementary School Total/Average	63	74%	$26,597,235	$1,940,799	$24,656,436
Middle School Total/Average	96	85%	$1,362,445	$0	$1,362,445
High School Total/Average	73	56%	$21,935,224	$945,060	$20,990,164
Other Educational Total/Average	66	N/A	$4,007,266	$0	$0
Bertie County Total/Average	70	70%	$53,902,170	$2,885,859	$51,016,311
Clay County					
Elementary School Total/Average	77	121%	$6,792,304	$0	$6,792,304
Middle School Total/Average	83	124%	$3,340,530	$0	$3,340,530
High School Total/Average	87	68%	$6,362,045	$0	$6,362,045
Clay County Total/Average	83	101%	$16,494,879	$0	$16,494,879
Davie County					
Elementary School Total/Average	81	93%	$28,799,220	$2,263,703	$26,535,517
Middle School Total/Average	77	96%	$21,401,433	$302,417	$21,099,016
High School Total/Average	93	100%	$4,011,179	$0	$4,011,179
Davie County Total/Average	83	96%	$54,211,832	$2,566,120	$51,645,712

EXHIBIT 4-1 (CONTINUED)
FACILITY NEEDS SUMMARY

Site Name	Combined Score (50/10/30/10)	2015-16 Current Utilization	2017 MGT / Parsons Total Budget Estimate	0 to 5 Years 2015-16 Facility Needs Survey Total	Difference
Greene County					
Elementary School Total/Average	82	114%	$21,024,061	$3,185,666	$17,838,395
Middle School Total/Average	93	108%	$3,875,107	$2,003,550	$1,871,557
High School Total/Average	80	103%	$9,950,728	$3,909,764	$6,040,964
Greene County Total/Average	83	109%	$34,849,896	$9,098,980	$25,750,916
Harnett County					
Elementary School Total/Average	80	113%	$109,818,336	$99,528,686	$10,289,650
Middle School Total/Average	90	98%	$36,542,674	$36,040,169	$502,505
High School Total/Average	77	126%	$75,749,373	$13,122,210	$62,627,163
Other Educational Total/Average	71	48%	$17,091,525	$0	$0
Harnett County Total/Average	81	112%	$239,201,908	$148,691,065	$90,510,843
Jones County					
Elementary School Total/Average	73	69%	$15,050,817	$1,700,525	$13,350,292
Middle School Total/Average	58	46%	$10,120,215	$11,895,937	-$1,775,722
High School Total/Average	61	64%	$13,359,193	$17,788,332	-$4,429,139
Jones County Total/Average	68	63%	$38,530,225	$31,384,794	$7,145,431
Scotland					
Elementary School Total/Average	77	94%	$31,275,569	$1,924,890	$29,350,679
Middle School Total/Average	91	90%	$5,495,531	$723,900	$4,771,631
High School Total/Average	75	91%	$22,761,388	$1,431,840	$21,329,548
Scotland County Total/Average	79	92%	$59,532,489	$4,080,630	$55,451,859
Yancey County					
Elementary School Total/Average	73	93%	$8,099,444	$3,418,968	$4,680,476
Middle School Total/Average	68	91%	$11,909,881	$69,824	$11,840,057
High School Total/Average	74	77%	$13,415,270	$102,885	$13,312,385
Yancey County Total/Average	71	87%	$33,424,596	$3,591,677	$29,832,919
All District					
All District Elementary Total/Average	76	100%	$291,645,193	$118,699,791	
All District Middle Total/Average	81	97%	$125,388,023	$75,568,135	
All District High Total/Average	77	98%	$192,070,071	$93,553,485	
All District Other Ed Total/Average	68	45%	$21,098,791	$0	
All District Total/Average	76	99%	$630,202,078	$287,821,411	$342,380,667

Source: MGT of America Consulting, LLC, 2017.

The above data reveals the following:

- Over $600,000,000 of unmet facility needs across the nine districts. This need is based on the combined score to determine the need for facility improvement or replacement and the facility utilization formula to determine the need for additional space, if needed. The districts self-reported $287,821,411 or a difference of $342,380,667 from the need determined by the MGT Parsons evaluation. Such variation in LEA reported needs and actual needs suggests conditions exist that impair accuracy, reliability, and effectiveness of the Facility Needs.
- The need by district varies a great deal, from over $200,000,000 in Harnett County to less than $20,000,000 in Clay County. This difference is the result of many factors including enrollment, growth, and local financial factors.
- Over the nine districts facilities are well utilized as the average utilization is at 99%, indicating that schools are at capacity but not overcrowded. As with the facility condition and suitability, this varies a great deal among the nine districts, from middle schools in Anson County, high schools in Harnett County, and both middle and elementary in Clay County being over 120% utilization to high schools in Bertie and Clay Counties, and all schools in Jones County being at less than 70%. It is important to note that these utilization numbers do not include portable classrooms.

4.2 FINANCIAL SUMMARY

The result of the financial portion of the study examines the implications related to the financial data and ultimately the financial capacity of the nine districts to address their future school facility needs. There are significant differences between the nine districts but there are also some common themes that emerged once the entirety of the data was vetted. Throughout the budgeting process, districts are expected to provide the necessary information to the county so they can allocate the appropriate amount of capital program funding needed on an annual fiscal year basis. However, in the case of capital projects that cross multiple years, the ability of the district and the county to engage in long-range planning is more difficult. Revenue amounts change each year, allocations from the state vary, and project costs fluctuate, making it difficult to develop and manage cash flow scenarios in a predictable fashion. **Exhibit 4-2**, below, provides the general district budget information for FY 2015-16.

EXHIBIT 4-2
GENERAL BUDGET INFORMATION FY2015-16 BY DISTRICT

	Anson	Bertie	Clay	Davie	Greene	Harnett	Jones	Scotland	Yancey
Dept. of Public Instruction Region	6	1	8	5	2	3	2	4	7
Count of Schools	11	8	3	12	6	28	6	11	7
Number of Students	2653	2,398	1,259	6,257	2977	19,931	1108	5,624	2,653
Area in Square Miles	538	741	221	261	266	601	473	320	313
CIP 5-year Plan Need	$90,000,000	$0	$89,671	$0.00	$400,000	$0.00	$0.00	$0.00	$151,004
Lottery 2015-16	$237,908	$165,510	$135,000	$428,114	$218,949	$1,398,369	$169,367	$404,633	$865,583
Article 40 restricted local option sales tax	$360,275	$299,951	$198,539	$545,979	$369,649	$1,617,397	$173,163	$465,201	$427,311
Article 42 restricted local option sales tax	$362,869	$261,671	$258,664	$1,091,959	$0.00	$3,234,794	$125,140	$871,455	$375,122
Property Tax Revenue for District Use	$90,000	$0	$0.00	$1,372,585	$0.00	$0.00	$0.00	$300,000	$0.00

EXHIBIT 4-2 (CONTINUED)
DISTRICT BUDGE FY2015-16 BY DISTRICT

	Anson	Bertie	Clay	Davie	Greene	Harnett	Jones	Scotland	Yancey
Supplemental Taxes Fines / Forfeitures	$156,993	$0	$0.00	$0.00	$75,000	$0.00	$105,496	$200,000	$85,691
Proceeds of Capital Assets	$0	$0	$0.00	$0.00	$0.00	$0.00	$104,642	$100,000	$0.00
Donations / Grants	$0	$0	$224,671	$0.00	$5,000	$0.00	$674,665	$0.00	$33,597
Total Capital Budget	$1,208,045	$727,132	$816,874	$3,438,637	$668,598	$6,250,560	$1,352,473	$2,341,289	$1,787,304
Capital Revenue as Percent of Budget	3.02%	2.97%	5.57%	6.31%	3.51%	5.62%	10.56%	5.85%	7.13%
District Budget	$40,000,000	$24,507,000	$14,657,214	$54,500,000	$19,038,027	$111,265,820	$12,811,778	$40,000,000	$25,070,522
County Budget Allocation to District	$3,904,353	$3,003,000	$1,300,000	$10,439,765	$2,317,000	$2,345,369	$1,740,900	$1,200,000	$3,040,000
% County Allocation / Budget	9.76%	12.25%	8.87%	19.16%	12.17%	2.11%	13.60%	3.00%	12.00%
Bond Debt Service (mature 2020)	$0	$0	$0	$0	$0	$0	$285,246	$3,594,000	$0
Qscab Bonds (mature 2020)	$12,260	$0	$0	$0	$0	$0	$0	$1,500,000	$0
Debt Service Payment	$0	$0	$62,193	$0	$401,221	$0	$142,263	$1,500,000	$119,855

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.

Exhibit 4-3 below provides the school district financial data for FY 2015-16 related to assessed valuation and property tax information for all nine counties.

EXHIBIT 4-3
ASSESSED VALUATION AND PROPERTY TAX INFORMATION

	Anson	Bertie	Clay	Davie	Greene	Harnett	Jones	Scotland	Yancey
Maximum Property Tax Rate	$1.50	$1.50	$1.50	$1.50	$1.50	$1.50	$1.50	$1.50	$1.50
Assessed Valuation	$1,360,000,000	$1,284,269,538	$1,938,159,235	$3,538,521,479	$1,084,275,036	$8,020,478,345	$813,248,643	$2,200,000,000	$2,123,837,445
Maximum Allowable Debt Service Amount	$108,800,000	$102,741,563	$155,052,739	$283,081,718	$86,742,003	$641,638,268	$65,059,891	$176,000,000	$169,906,996
Current Property Tax Revenue (assessed value x current tax rate)	$10,230,180	$10,787,864	$7,558,821	$25,760,436	$8,565,773	$60,153,588	$6,424,664	$21,568,627	$12,743,025
Maximum Property Tax Revenue (assessed value x maximum tax rate)	$20,400,000	$19,264,043	$29,072,389	$53,077,822	$16,264,126	$120,307,175	$12,198,730	$33,000,000	$31,857,562
Percentage of Property Tax Revenue	50.15%	56.00%	26.00%	48.53%	52.67%	50.00%	52.67%	65.36%	40.00%
GO Bond Debt	$0.00	$0	$290,000	$56,524,000	$0	$0	$0	$3,594,000	$0
Installment Debt	$4,323,281	$41,134,071	$0	$0	$761,778	$0.00	$2,029,071	$0	$2,591,333
Maximum Unused	$13,000,000	$26,476,214	$0	$5,000,000	$0	$100,000,000	$2,029,071	$0	$2,591,333

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16.

Exhibit 4-4 provides the school district financial data for FY 2015-16 related to capital program funding for all nine counties.

EXHIBIT 4-4
FACILITY NEED AND FINANCING OPTION BY DISTRICT

	Anson	Bertie	Clay	Davie	Greene	Harnett	Jones	Scotland	Yancey
20-year Revenue 40&42 Funds	$13,119,807	$11,111,950	$7,087,589	$29,082,963	$12,079,267	$82,459,970	$5,720,600	$24,406,073	$12,775,450
Bond Revenue Needed	$86,934,277	$42,790,220	$9,407,292	$25,128,869	$22,770,630	$156,741,938	$32,809,625	$35,126,416	$20,649,146
Future Capital Facility Need	$100,054,084	$53,902,170	$16,494,879	$54,211,832	$34,849,896	$239,201,908	$38,530,225	$59,532,489	$33,424,596
Percent of Capital Need Provided by 40&42 Funds	13.1%	20.6%	43.0%	53.6%	34.7%	34.5%	14.8%	41.0%	38.2%
Projected 20 -year Debt Service Annual Payment to cover School Facility Capital Need	$5,723,794	$2,817,328	$619,381	$1,654,497	$1,499,229	$10,319,964	$2,160,201	$2,312,740	$1,359,550
Property Tax Rate	$0.8010	$0.8400	$0.3900	$0.7280	$0.7900	$0.7500	$0.7900	$1.0200	$0.6000
Property Rate Increase to cover debt	$0.4210	$0.2195	$0.0320	$0.0468	$0.1390	$0.1290	$0.2660	$0.1051	$0.0640
Projected Annual Tax Rate	$1.2220	$1.0595	$0.4220	$0.7748	$0.9290	$0.8790	$1.0560	$1.1251	$0.6640

Source: District Data and Information provided by *Comprehensive Annual Financial Reports* (CAFR) 2015-16. Calculated data by MGT, 2017.

The data in the **Exhibits 4-3** and **4-4** reveals the following:

- The assessed valuations varied considerably from a low of $813,248,643 in Jones County to a high of $8,020,748,345 in Harnett County, an almost ten-fold difference.
- The same variation exists with tax rates, a high of $1.02 in Scotland county and a low of $0.39 in Clay County, a three-fold difference. However, upon further examination, this does not prevent even those districts that currently have some level of indebtedness from raising enough capital to address their future school facility needs and still stay within the thresholds of maximum allowable debt and maximum tax rate. To meet all needs none of the districts would have reached the 8% cap of total assessed valuation debt restriction or exceeded the maximum allowable tax rate of $1.50. It is important to point out that the state average tax rate for all counties is $0.66. All but two of the nine districts included in the study exceed that rate.
- The amount of school facility need varied from a high of $ 239,201,908 in Harnett County to a low of $16,494,879 in Clay County. To raise the necessary capital to address the nine districts' school facility needs will require a tax rate increase ranging from $0.05 in Clay to $0.46 in Anson. As stated above, seven[2] of the nine counties are already above the state average tax rate of $0.66. This increase would put them significantly higher.

[2] Counties include Anson, Bertie, Davie, Greene, Harnett, Jones, and Scotland.

5.0 CONCLUSIONS AND RECOMMENDATIONS

The North Carolina General Assembly authorized a *Public School Construction Needs Survey and Recommendations* for funding options for selected districts with lowest revenue capacity. The stated goal of the study was to "perform an independent assessment of school construction needs and determine which of the local school administrative units have the highest facility needs in relation to their capacity to raise revenue to meet those needs." **Exhibits 4-1** through **4-4** of this report provide the results for both the assessment of need and highest need in relation to capacity to raise revenue. As is often the case, there are a number of ways to interpret the degree of need. Among those are:

- The total facility need of the nine districts included in the study is $630,202,078.
- The district with the highest amount of need is Harnett County with a need of $239,201,908.
- The districts with the highest amount of facility need per student are Anson County at $37,714 and Jones County at $33,888. The average need per student for the nine districts is $17,270. No other district exceeds $20,000 per student in facility need.
- The districts that would require the highest tax rate to meet the facility needs are Anson, Bertie, Jones, and Scotland all of which would require a tax rate of over $1.10. This can be compared to a statewide average of $0.66 and an average of the nine districts included in the study of $0.99. Based on this factor it can be said that these four districts reflect the highest amount of need in relation to the capacity to raise revenue.

In addition, the governance model for school districts in North Carolina divides the responsibilities between School Boards for operational and academic control and County Commissions, which provide financial oversight. In most instances, this arrangement provides the necessary checks and balances that were intended when this structure was put in place many years ago. However, in some cases, having two entities can create a difference in approaches to the various capital funding needs of the district.

Although districts may be able to garner adequate community support to pass a bond, the Commissioners may not be willing to assume the additional debt load caused by the sale of long term bonds. Commissioners may also be reluctant to fully fund the district's annual capital program requests and instead address each area of need separately as problems arise. Often this makes budgeting and prioritizing more difficult because of the uncertainty in the availability of funds.

From the county perspective, it is also challenging to determine what the district budgets are asking for and what are the most pressing needs regarding capital repairs. The inability of some districts to prepare an accurate and well-supported, data-driven facility plan leaves both parties without the requisite information to make informed and timely decisions.

It is recommended that the state of North Carolina put in place a systematic facility evaluation process which provides a more quantifiable set of facility condition data aligned to the current DPI state facility guidelines. An improved and aligned model will lead to a more equitable decision-making process to determine which district level capital repairs are needed. To accomplished this effort, a more detailed evaluation process using the facility condition self-survey must be used along with the implementation of a set of industry best practices aligned to the state guidelines.

The DPI self-evaluation system should have the ability to conduct condition assessments of all school facilities using the state facility guidelines. The building and site assessments should gather data on each

of the facilities systems and detail the deferred maintenance that exists. Each building and site assessment will result in a condition score that is easily understood by all parties. Due to the way the data is collected and the structure of the assessment metric, the inverse of the score will identify the percent of deferred maintenance, or the Facility Condition Index (FCI), which is an industry-wide measurement. Using the FCI and current construction costs, the State can then develop a budget to remediate all deficiencies identified. After each building evaluation visit, the district evaluators will enter scores according to the identified guidelines, based on a rating scale, and include a description of the deficiency. The process tabulates budget estimates based on what it would cost to bring that component up to the agreed upon specified industry standard. This process provides a highly-structured assessment that produces consistent results even when multiple evaluators are utilized. The results enable district facility planners to identify and prioritize facility needs based on any/all of the assessed components.

It is recommended that a software and facility data base be created and /or purchased to capture and report on the evaluations and budgets. It is also important, that staff are trained in the districts in the use of the software, thereby enabling periodic updates to the data.

The absence of such a system will continue to perpetuate poor information and an underestimation of the actual facility needs.

OPTIONS TO CONSIDER

As is true in most states, capital funding for school districts is primarily based on the ability of the local community to raise revenue through property taxes. According to the National Center for Educational Statistics (fiscal survey 1994 -2013) in 35 of the 50 states local revenue accounted for over 75% of the capital funding for schools. North Carolina falls within this group with local revenue accounting for 92% of capital funding. Due to inequities in total assessed value and assessed value per student for counties across the state this results in different levels of effort required. It is clear from the data included in this report that many of the low wealth districts have been forced to provide a high level of effort. This, along with the difficulty for many districts to communicate the building and financial data and information contained in this report to the stakeholders and key decision makers in each of their counties, has resulted in the level of unmet need reported. As is often the case, gaining a familiarity and understanding of this information is not an easy task and then to be able synthesize it into an understandable message to communicate to the larger community is and can be an even more daunting task. The numbers are big and the relevance of those numbers can be lost on the average constituent or community member.

Under current conditions, many of these counties will need financial relief along with assistance in future planning and communicating to be successful in their efforts to raise the needed capital to address the future school facility needs of their communities. Finally, given the needs identified in these nine counties and the degree to which these districts represent a cross-section of the entire state, it is likely that many other counties face similar issues with varying degrees of magnitude.

North Carolina is not alone in addressing this issue. The policy brief *How Do States Pay for Schools? An Update of A 50-State Survey of Finance Policies and Programs,* presented at the Association for Educational Finance and Policy Annual Conference in 2014 provided the following **Exhibit 5-1** of state funding for capital outlay.

EXHIBIT 5-1
STATE FUNDING FOR CAPITAL OUTLAY/DEBT

Provision	*State*
Item in Funding Formula (6)	AL, FL, MN, MS, VA, WI
Debt Service Grants (6)	AK, AR, KY, MT, NJ, TX
State Bond Guarantee (5)	CA, MA, MD, TX, UT
Equalized D/S Grants (2)	MA, NY
Loan (3)	MN, NC, VA
Approved Project Grants Grant (11)	AK, GA, HI, KY, MA, ME, MN, PA, SC, SD, WY
Equalized Project Grants (13)	CT, DE, KS, MN, NH, NJ, NM, OH, OR, RI, TN, VT, WA
Aging Facilities (6)	CA, MD, MT, NY, VA, WY
No State Funding (13)	CO, IA, ID, IL, IN, LA, MI, MO, NE, NV, ND, OK, WV

Source: How Do States Pay for Schools? An Update of A 50-State Survey of Finance Policies and Programs, Verstegen, D.A., 2011.

As shown above, six states have programs where capital funding is included in the school funding formula. Funding sources are varied depending on the systems in that state to support the general fund. The most prevalent form of aid for capital funding is distributed through approved project grants, in 11 states, and equalized project grants, in 13 states. Again, the funding source for the grant programs are varied but often are a percentage match formula that takes into account the local ability to raise funds.

In a report presented to the North Carolina Association for Learning Environments (A4LE) by the Department of Public Instruction in 2016, it was suggested that the state consider future funding options including the lottery, bonds, infrastructure bank, and other funding options. This report indicated a need of $7.5 billion over the next five years for school capital construction. This number was calculated by the DPI through the district self-reporting process whereby each district is responsible to determine the capital need for all schools (and any new schools) and to input that data into the database. As shown for the nine counties included in this report the number may vary from a consistent process applied to all districts.

Provided below are some specific examples that other states have implemented to address capital funding needs and may be of help as the state of North Carolina works to address capital funding needs.

Wyoming[3]

As the result of rulings made by the Wyoming Supreme Court, the responsibility for school construction shifted from local school districts to the state, which created a need for an oversight agency. The School Facilities Commission (SFC) was established in 2002 when the 56th Legislature enacted House Bill 0043. It was created to ensure adequate and equitable K-12 educational facilities throughout the state. The Commission consists of seven voting members who are appointed by the sitting governor and approved by the Legislature. In addition to the voting members, the state superintendent of public instruction serves in an ex officio, nonvoting capacity.

New Mexico[4]

The Finance Group is responsible for overseeing the agency operations, project budgets, reviewing project contracts for compliance with state law, Public School Capital Outlay Members (PSCOM) rules and Public School Facilities Authority (PSFA) protocols, and providing overall support to other agency divisions in fulfilling the agency mission.

The Planning Group provides master planning assistance, reviews projects for state code compliance and compliance to the PSCOC adequacy standards, develops and maintains adequacy standards, planning guidelines, building standards, and supports and maintains the statewide Facility Assessment Database (FAD), which is used to monitor and rank school facility conditions statewide.

The Field Group is the main point of contact to school districts and provides assistance in a wide variety of school facility-related matters including PSCOC adequacy standards and planning guidelines, grant application development, project budgeting, project procurement, and efficient and effective project management and oversight.

Colorado[5]

The Building Excellent Schools Today, or BEST Grant, was established in 2008 with the signing of C.R.S.22-43.7.

BEST provides an annual amount of funding in the form of competitive grants to school districts, charter schools, institute charter schools, boards of cooperative educational services, and the Colorado School for the Deaf and the Blind. BEST funds can be used for the construction of new schools as well as general construction or renovation of existing school facility systems and structures.

BEST receives revenues from the School Trust Lands, Marijuana Excise taxes, Colorado Lottery spillover proceeds and interest.

Kentucky[6]

The School Facilities Construction Commission (SFCC) was established in 1985 as an independent corporate agency. The School Facilities Construction Commission provides an equitable distribution of state funding for school construction and technology based on the unmet needs of Kentucky's 173 school districts.

[3] https://sites.google.com/a/wyo.gov/sfd/commission
[4] http://www.nmpsfa.org/about/about.htm
[5] http://www.cde.state.co.us/cdefinance/capconstbest
[6] http://sfcc.ky.gov/Funding/Pages/Facilities-Support-Program.aspx

Statutory authority for the SFCC is established in KRS 157.611 through 157.665 and its regulations are located in 750 KAR 1:010; 750 KAR 1:030; and 750 KAR 2:010.

The Facilities Support Program of Kentucky (FSPK) provides funding based on property assessments. To be eligible to receive state funding for school facilities through FSPK and the SFCC, school districts must levy a 5-cent equivalent tax (colloquially referred to as a "nickel") in addition to the 30-cent equivalent tax required to participate in SEEK. This 5-cent equivalent tax must be committed to the district's building fund. All of the school districts in Kentucky have levied this tax. The 5-cent equivalent tax is often referred to as the "Local FSPK." This tax may be equalized at 150% of the statewide average per-pupil assessment through the state's budget process. This is referred to as the "State FSPK" or "equalization."

Massachusetts[7]

In 2004, the Massachusetts state treasurer worked with the legislature to create the Massachusetts School Building Authority (MSBA) as an independent public authority, charged with reforming the former school building program.

Since its creation, the MSBA has made significant progress in implementing major management and financial reforms to the state reimbursement and funding process for school construction, renovation, and repair projects. Under the guidance of the state treasurer and the MSBA Board of Directors, and with strong legislative support, the MSBA has made over $12.5 billion in payments to cities, towns, and regional school districts – more than any other state entity. This is $4 billion more than what would have been expended on school building assistance if the Legislature had not created the MSBA. The infusion of the MSBA's cash has helped many cities, towns and regional school districts with local operating budget shortfalls, lowering local tax rates, or using funds formerly tied up in school debt service for other local capital improvement projects.

Georgia[8]

On November 3, 2015, Gwinnett County Public Schools, GA (GCPS) voters were asked to consider continuing the Education Special Purpose Local Option Sales Tax (E-SPLOST). Over the years, Gwinnett students and school communities have benefited from E-SPLOST, which has provided thousands of needed classrooms in nearly 60 new schools and nearly 80 school additions, as well as technology improvements that are essential to teaching and learning.

Some key facts about the proposed E-SPLOST:

- Anticipated revenue of $950 million (By law, Buford City Schools will get $22.3 million, based on their student enrollment, leaving GCPS with $927.6 million).
- Projects include four new schools and nine additions and renovations.
- Technology upgrades system-wide, including a refresh of technology at all middle and high schools.
- Equipment and facilities modifications for the high school academies.
- Furniture, fixtures, and equipment to address needs due to growth and replacement.

[7] http://www.massschoolbuildings.org/about/from_the_executive_director
[8] https://publish.gwinnett.k12.ga.us/gcps/home/public/home/content/general-info/esplost-information

- Fine Arts needs (growth and replacement).
- Facility improvements to address preventive maintenance that has been postponed due to budget cuts (roofing, painting, carpeting, etc.).

RECOMMENDATIONS

Short-Term Recommendation

This independent assessment of nine districts shows wide variation between the Parsons/MGT capital needs and current capital needs determined by a process administered by DPI. The current process administered by DPI determines overall capital need in North Carolina based on the self-reporting of each district. This approach has resulted in a degree of discrepancy between district reported needs and actual needs. This variation suggests conditions exist that impair accuracy, reliability, and effectiveness of the district-reported Facility Needs Survey. To ensure the State has the most valid and reliable data and information on school capital needs the General Assembly should direct a systematic review of DPI's administration of the School Facility Needs Survey. The review should determine how DPI guidelines for school facilities are being used and if the current process yields accurate and reliable data and information. In addition, the review should make recommendations for developing a consistent methodology for determining capital construction need.

Long-Term Recommendation

As pointed out in this study, counties in North Carolina depend primarily on local property tax revenue for school capital construction. This method of funding has resulted in disparity depending on the local wealth of the county along with a backlog of need across the State. Therefore, the State of North Carolina should consider:

- **Potentially establish a revolving fund account.**
  General Statute 115C-408 establishes that it is "the policy of the State that the facilities requirements for a public education system be met by county governments." Should the General Assembly wish to maintain this policy objective, the State could ensure counties have alternatives to the private bond market to address long term capital needs by establishing a state-administered revolving fund for school capital. This revolving fund could be established through the use of a non-recurring source of revenue. This fund would allow eligible counties to draw upon resources for approved projects to meet their capital needs. Counties would be responsible for repayment of revolving funds.
- **Alternative sources of funding.**
  If the State wishes to appropriate funds for school capital the General Assembly must consider additional sources of funding. As shown previously in **Exhibit 5-1**, states have implemented a number of alternatives to the local property tax. It is recommended that North Carolina look at additional resources to augment and/or supplement current sources such as income or sales tax appropriations for capital construction, state bond guarantees, or other dedicated revenue sources. Other states have been working to find dedicated revenue to support school capital construction. New Mexico uses revenue from oil and gas reserves, Ohio dedicated its tobacco settlement, and Georgia enabled counties to pass a special option sales tax. While not all of these strategies can be directly applied to North Carolina, there is a need for a dedicated source of revenue.

- **Develop a consistent methodology for determining capital construction need.**
  The current methodology for determining the overall need in North Carolina is based on the self-reporting by each district. This has resulted in a degree of inconsistency that would be difficult to administer. The School Planning Division of the Department of Public Instruction has developed guidelines for school facilities that could be regularly updated and used to conduct consistent assessments across all districts. Training and expertise to use these guidelines effectively will need to be put in place to ensure accuracy and reliability in any future facility assessments and reporting.

- **Develop a system of prioritizing capital need**
  Whichever source of funding is determined it is unlikely it will address all needs in a short time period. Therefore, a process for prioritizing need and funding allocation will be necessary. This methodology could be done through a variety of ways including:

  - An equalization formula based on both need and ability to fund locally
  - A percentage range of state funding based on the district's ability to fund locally
  - An annual allocation based on the enrollment of the district and other factors
  - A state grant process

In summary, North Carolina will need to incorporate and expand on the current standards across all areas of school construction to provide an equitable model for all counties. The mostly likely scenario will incorporate a new funding source along with an escalation factor as these facility needs will most likely not be met over the next ten or even twenty years plus current facilities will continue to age and new circumstances will develop. A single appropriation as is suggested in the short-term recommendation above will provide some stop gap measures but not address the long-term need. Without a committed long-term financial model the problem will continue to grow.